JOURNAL OF AMERICAN INSURANCE

MAY, 1959 Vol. 35 — No. 5

Cleanup for Our Ailing Air

How to Catch an Auto Thief

Look What's Happening to Insurance

Inside Japan—A Journal Special

Unveiled: Variable Annuities

Memorial Day Race—Pros and Cons

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OUR COVERS

PRESTIGE of the Supreme Court, so well typified in its monumental Washington, D. C., home *(front cover)*, is credited to John Marshall, Chief Justice for an unmatched 34 years. As recounted on Page 5, his fame in statesmanship, constitutional law and mutual insurance, dating from a long-ago May, re-echoes in the history of our time.

For the security of his now hallowed home, Marshall relied upon mutual insurance, the application for which, February 24, 1796, is reproduced on our back cover. The insurance still in force with the Mutual Assurance Society of Virginia *(Fire)* now covers on the main building only, the outbuildings having gone.

In a message to the Journal, T. A. Ratcliffe, assistant secretary of the Society, said, "Judge Marshall was a long friend of the Society, and it is reliably reported that he was called upon to render at least one legal opinion for which he was allowed the modest fee of $8." ⊙

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OUR TROUBLED AIR

Pollution has forced far-flung action for relief.

LET A BABY DIE of polluted milk, or disease be linked to a water supply, and a great cry goes up. People are horrified. A whole network of authorities springs into action.

But try to tell a purity-conscious public that the very air they're breathing may be killing them, slowly but surely. Until recently, this would have aroused little alarm, let alone any action. This, despite the fact that we take 10 times more air, by weight, into our bodies each day than food and water combined.

The truth is that today air pollution has reached the proportions of a national emergency, and the hazard is increasing every day.

More than half the people of the United States already are packed into the polluted air of 174 metropolitan areas. By 1970, an estimated two-thirds of us will be in these areas. Research already is showing direct relationships between dense population and lung cancer, other serious diseases, and disproportionately high death rates.

Not only big cities are menaced by air pollution. Some 10,000 communities throughout the country also have the problem in some degree, and farmers have crop and livestock losses running into millions of dollars annually from fluorine and other chemical pollutants in the air, even though rural air is five times cleaner than even the cleanest city's.

The country's total economic damage from air pollution is estimated at $2 billion to $7.5 billion a year.

Now, at last, with the damage and the dangers at these levels, with experts warning that

Sky is clear high above, but Cincinnati residents hardly see it when cool air mass holds industrial smoke, other pollutants down over the city, damaging health, buildings, plant life.
U.S. Public Health Service

Our Troubled Air

there's a limit to the air contamination we can stand, and with radioactive fallout adding to the hazard and the fears, the public is becoming aroused. Finally a great concentrated, nation-wide research effort is under way to learn what's going into our lungs, what it's doing to them and other objects it comes in contact with, and how to eliminate as much of the damaging portion as possible.

This effort—the biggest, most co-ordinated and most hopeful ever undertaken against the hazards of air pollution—is the National Air Sampling Network program, operated since 1957 by the U. S. Public Health Service on a $5 million annual appropriation from Congress.

Under the program, air is filtered regularly at 51 permanent rural sampling sites and at 110 of 232 alternating urban sites in all 50 states and Puerto Rico. The samples are sent to the Robert A. Taft Sanitary Engineering Center in Cincinnati, Ohio, where pollution is measured and studied by chemists and engineers.

Among the aspects being analyzed:

¶ Amounts of air pollution in each locality, and the components, which vary.

¶ Secondary pollutants, caused by chemical interaction of certain pollution components, and sometimes more dangerous than the primary ones. Finding the "key ingredients" and eliminating them would avert this pollution.

¶ Relationships between pollution levels and illness and death rates in given areas. These statistics now are available for comparison for the first time. In addition, effects of various pollutants on experimental animals are being tested at the National Cancer Institute and the University of Southern California medical school. This research is making many medical men look away from cigarets and toward air pollution as a cause of lung cancer.

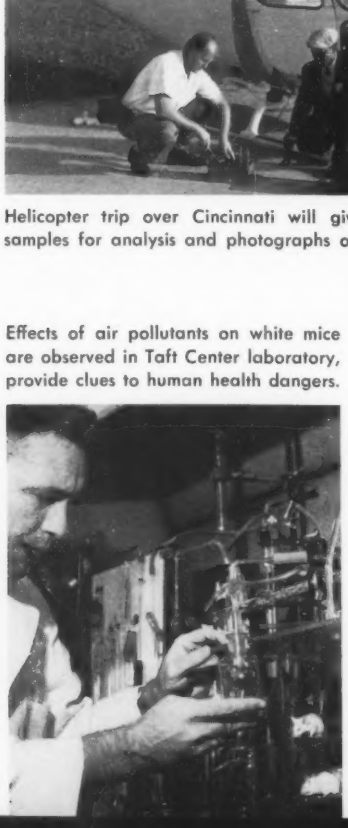
¶ Effects of pollutants on automobile finishes, plants, animals, fabrics, paints and building materials. Damage to these items has resulted

U.S. Public Health Service

Helicopter trip over Cincinnati will give these workers air samples for analysis and photographs of pollution conditions.

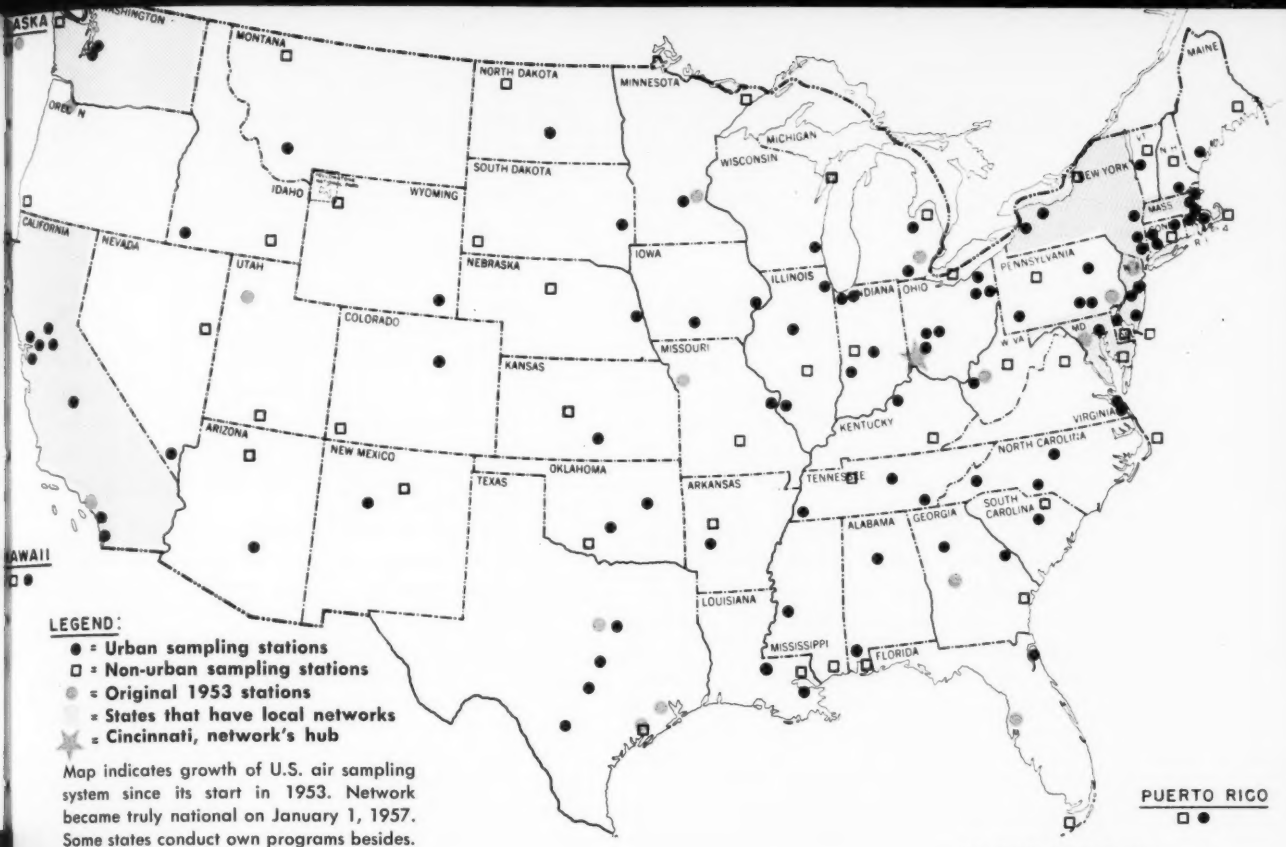
Aerial view of the Robert A. Taft Sanitary Engineering Center, where National Air Sampling Network data is sent, analyzed.

Effects of air pollutants on white mice are observed in Taft Center laboratory, provide clues to human health dangers.



National network director Elbert Tabor (left), Cincinnati chief Charles Gruber at a typical urban sampling site.

Possible lessening of lung capacity by prolonged exposure to polluted air is tested on device known as vitalometer.



Map indicates growth of U.S. air sampling system since its start in 1953. Network became truly national on January 1, 1957. Some states conduct own programs besides.

U.S. Public Health Service

in millions of dollars worth of lawsuits and insurance claims.

¶ Effectiveness of pollution control measures. Continued air sampling shows whether control methods are lowering pollution levels.

Such studies transmit the value of the National Air Sampling Network program to every segment of America's population. The program is only partial, however, because of limited funds and still imperfect equipment. It measures only particles and radioactivity in the air, for example, not gaseous substances, which are gradually replacing particulate matter as the most common pollutants. And it measures only average exposures, not peaks, which might reach dangerous, even fatal, levels.

So far, these gaps in the national program must be filled by state and local agencies, or as in the case of the pioneering Ohio Valley Air Pollution Council, by interstate compacts. Their programs supplement the national one and, in addition, can have controls with enforcement "teeth" the federal government doesn't possess.

Air pollution legislation isn't new; the English Parliament banned coal burning in London as far back as 1273. But in this country it has been a slow struggle. Despite the irritations of industrial dirt and smoke, city dwellers seldom made a real attack on them. Even when "smog" added 4000 names to England's death lists in 1952, or, closer to home, when it took 20 lives in Donora, Pennsylvania, in 1948, most people elsewhere remained apathetic.

But the time has come when virtually all metropolitan areas have had to face the problem of air pollution and attempt to solve it. Pittsburgh, for example, passed smoke abatement ordinances which cut total smoke 90 per cent and heavy black smoke by 98 per cent.

Philadelphia eliminated open burning dumps, coal burning engines and black industrial stacks, started a multimillion dollar incinerator program, and guided industry in making major pollution control installations.

In New York, where 107 tons of soot accumulate on each square mile every month, millions of cubic yards of trash and debris now are toted out to sea and dumped, rather than burned.

Chicago broadened its smoke abatement ordinance to give the city control over all types of pollution. Industries and apartment heating

units will be monitored strictly under the new law, and drivers may be arrested if their auto exhaust is excessive.

Los Angeles, considered the smog capital of the country, is currently shuddering at statistics showing the death rate from emphysema, a lung disease, running 100 per cent above the national average, and respiratory cancer deaths increasing 80 and 90 per cent faster than in the rest of the United States. Although medical evidence of the connection is still incomplete, residents can't help but blame the smog.

The city's smog occurs, mainly, because of cool Pacific breezes which waft in 250 days out of the year and hang heavily over the city. Smoke and other pollutants can't rise through this layer as they can through the warm air currents normally found over cities. Add fog to this phenomenon known as temperature inversion, and you have true smog.

Autos Next Target in Anti-Pollution War

Los Angeles has probably the toughest industrial anti-pollution laws anywhere; the program has been compared to a full-scale civil defense emergency plan. But its three million exhaust-spewing automobiles are considered the main source of pollution, and so far little has been done to regulate them. Some officials urge a ban on the sale in California of any car without smog suppression equipment.

Such equipment hasn't been satisfactorily developed yet, although auto manufacturers are spending about a million dollars a year in research. Some devices still in the test stage will cut hydrocarbon exhaust by up to 90 per cent, researchers say; since incomplete combustion of fuel is the source of the pollutant, an afterburner to oxidize the unburned fuel as it comes out the tailpipe is sought. Meantime, high grade fuels and tight engine tune-ups may cut the amount of unburned fuel, estimated at one gallon of every 14 put in the car. With some 70 million vehicles in use, that's a lot of fumes and smoke to pollute the air.

Industry, generally blamed for about half the pollution in the air, is spending about $300 million a year to cut that figure. The chemical, petroleum, electric power, iron and steel industries, among others, have worked to reduce the dirt, smoke and fumes they emit.

Refuse incineration causes another 7 to 33 per cent of a city's pollution. Apartment and home space heating creates more, especially if coal is burned. In Louisville, for example, it was found that the one-third of homes which were coal-heated accounted for 83 per cent of the gaseous and 99 per cent of the solid pollutants emitted by all home heating equipment.

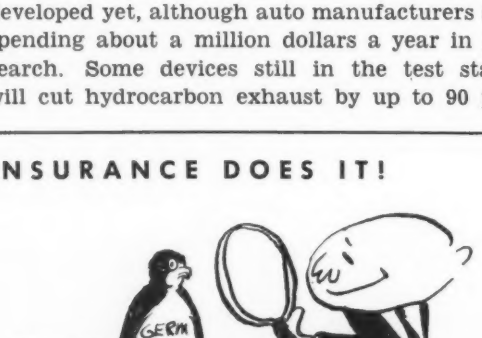
In farm areas, soil erosion, crop spraying and certain processing activities contribute to the pollution of the air. And, of late, radioactive fallout from nuclear tests is causing more alarm than perhaps all the rest together.

Pollution Creates Serious Health Hazard

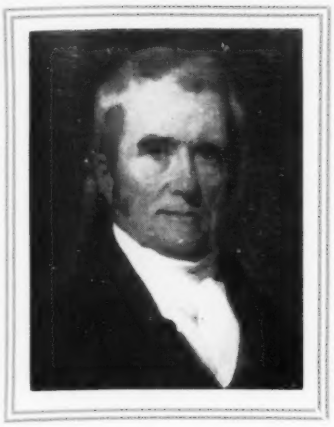
No one knows yet all the effects of air pollution. The disasters of England and Donora proved it has a direct bearing on the prevalence of chronic bronchitis (England's No. 3 killer and No. 1 cause of absenteeism), that the chronically ill are likely to die in a serious smog outbreak, and that even the healthy are made more susceptible to illness and early death by it. Its relation to emphysema, asthma, bronchitis, bronchopneumonia, lung cancer and heart disease is being studied.

Whatever the outcome of individual studies, there's more than enough evidence already to confirm that pollution of the air we breathe is one of the most serious health hazards of our time, as well as an economic and aesthetic liability. Although admittedly the National Air Sampling Network, like the state, local and private programs it aids, falls short of the massive efforts we need, it is heartening to know that at last the frontier of research aimed at giving us longer, healthier lives has been extended upward as well as outward—upward into our troubled air which could be the death of us. ⊙

INSURANCE DOES IT!



Antarctical penguins, mysteriously steeled against disease, are being researched as a source of new antibiotics for human use. Broad insurance coverage protects the expedition leader.



JOHN MARSHALL

September 24, 1755 - July 6, 1835

THERE WAS ANOTHER May, 162 years ago in American history, when foreign relations were "at the brink," just as they are now. The occasion was our strained relations with France following Jay's Treaty with England, bringing on retaliatory French acts against American shipping and diplomats.

A price for peace was proffered the U.S. in hinted French demands for loans and bribes totaling £50,000. But a three-man American commission refused to grant concessions, and eventually the trouble was settled. In history it is known as the XYZ Affair.

May was the fateful month in that Franco-American crisis, for on the last day of that month, May 31, 1797, President Adams had appointed on the Commission to France the Federalist leader, John Marshall. It was he who made the firm reply to the French, demanding his passports for return to the U.S.

Back home in martyred glory, Marshall achieved his greatest fame serving 34 years (1801-1835) as Chief Justice of the Supreme Court—then new and on trial in the annals of government and of jurisprudence. While dissenters stood by and predicted openly that the Constitution would fail in a decade as the supreme law of the land, Chief Justice Marshall comprehended justice and made it into American constitutional law.

His stamp is upon mutual insurance, too, for he had been called upon as an attorney to examine and approve the Articles of the Mutual Assurance Society of Virginia, organized in 1795 and still doing business today under the name of the Mutual Assurance Society of Virginia (Fire), Richmond.

To this company Marshall also turned for protection of the home in Richmond which has since become famous as his dwelling place for 45 years. The original policy, dated 1796, and memorialized on our back cover, established coverage which has been continuous to date. The valuable collection of furnishings in the home, many of them originals, is insured with another company under a fine arts policy.

When issued, six years after the home was built, the old policy covered not only the house, but also all the "dependencies" which have since been torn down—the outside kitchen, the stable and Mr. Marshall's office in the yard.

But for the Association for the Preservation of Virginia Antiquities, the home might also have disappeared many years ago. Through the Association's efforts, the City of Richmond purchased the home in 1909 from Marshall descendants and placed it in the custody of the organization as a memorial to John Marshall for "unsurpassed service to his State and to the Nation, as a soldier, statesman and jurist." ⊙

Dementi Studio

Characteristically, the Marshall home is sturdy, square, dignified. A close friend said, "Whatever his fame in the eyes of the world, . . . home, home, was the scene of his real triumphs."

BOOM! SONIC BOOM!

That "new sound of security" is coming your way.

USAF

In some areas today, up to 90 supersonic jets may be airborne at one time. New B-58's, left, will intensify noise problems.

BE FOREWARNED: There's one of those sonic booms in *your* future—but the Air Force says not to worry.

According to Colonel James B. Davis, chief of the claims division of the Judge Advocate General's office, "direct injury to persons is considered impossible" insofar as sonic booms are concerned. And structural damage to buildings is considered "a practical impossibility unless extraordinary circumstances exist," Davis adds.

What is this sonic boom?

Nothing more than a quite natural happenstance, a loud noise resulting from intense pressure or "shock" waves caused by aircraft exceeding Mach 1, the speed of sound. For those yet to be initiated, how "loud" is a sonic boom? The Air Force says ten times louder than a thunderclap, while a young Navy lieutenant on Lake Michigan says it "sounds just like a three-inch gun."

In any event, to the public, sonic boom is a resounding "crack," more startling because it's generally unexpected. To the Air Force, it's currently a hot public relations problem. And to insurance people, it's a new hazard calling for some jet-age services under various fire and homeowners' policies.

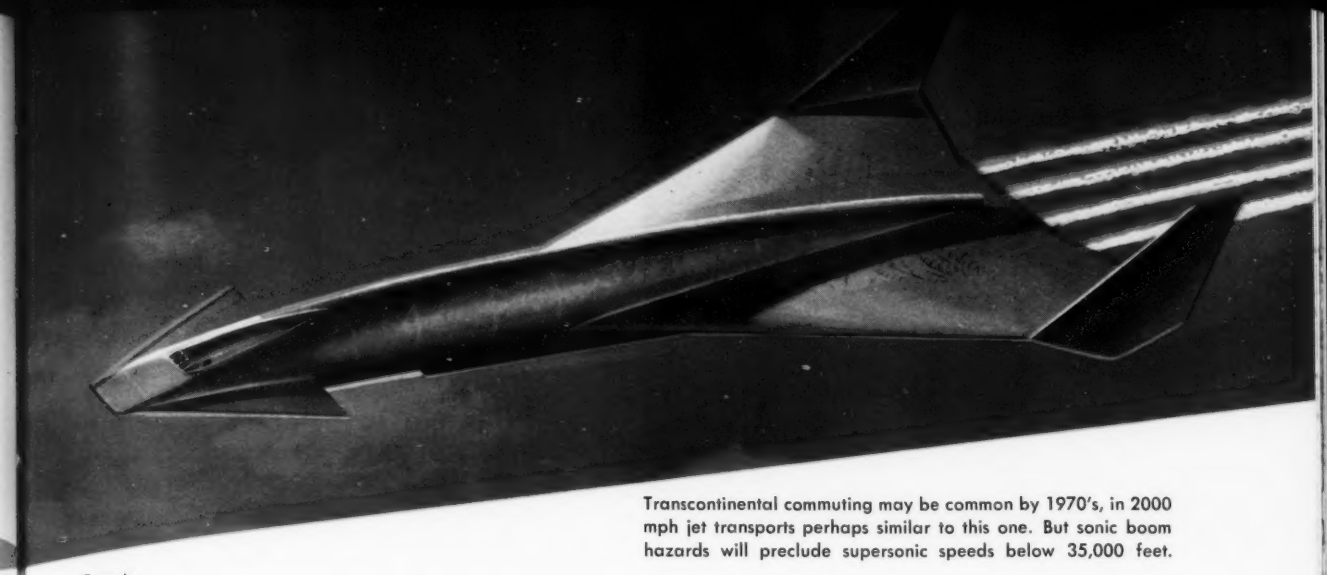
Air Force headquarters has handled more than 300 congressional inquiries and complaints in less than a year from citizens unsure and unhappy about the sonic boom. At local air bases, about three milder inquiries and complaints are being received for every one that filters down to Washington. Cracked plaster, split door jambs, and even buckled roofs and ruptured foundations have been put in for claims.

During 1958, the Air Force alone (the Navy and aircraft manufacturers share the problem) received 350 claims totaling $50,000 for property damage allegedly caused by its supersonic aircraft. For those partially or fully approved, about $15,000 was awarded in claim payments.

Determining just what damages are boom-caused is a difficult matter. Differences of opinion probably will prevail until further study has been completed. "We believe that the vast majority of sonic boom claimants are honestly mistaken," says Colonel Davis. Air Force researchers admit that their man-made thunder can break glass, nudge light bric-a-brac from shelves, and bang loosely-latched doors back against the wall. They further concede that there is the "possibility of aggravation of existing plaster cracks"—but only when "extensive" glass damage is present.

Beyond this, they insist the boom is innocent of home wrecking.

Nevertheless the insurance industry has likewise been confronted with a claim problem. Not an explosion, though the sound sometimes confuses its startled victims, the sonic boom has triggered a multitude of claims under aircraft-damage provisions of various insurance policies.



Transcontinental commuting may be common by 1970's, in 2000 mph jet transports perhaps similar to this one. But sonic boom hazards will preclude supersonic speeds below 35,000 feet.

Convair

Existing policies have required interpretation to determine when the boom is covered, and research has been initiated toward including specific provisions on this new hazard.

Claims honored have ranged from minor home damages to collapsed warehouses. In one notable early instance, some 800 claims were filed after the National Aircraft show in Oklahoma City three years ago, including some for as much as $5000 in damage. An initial insurance survey indicated total damages might run as high as $250,000, but careful investigation showed actual damage to be substantially less.

Theoretically, insurance firms are entitled to subrogate, or file claims against the military agency or manufacturer responsible, to recover for boom-caused damage payments made to policyholders. This has been difficult in practice, though, owing to frequent problems of determining just which aircraft caused a boom.

Some courts dealing with subrogation and other legal aspects of this new hazard have directed payment of insurance claims for substantially broader damages than Air Force policy — based on boom research — allows, thereby making recovery of full damages impossible for insurance firms. Simplifying subrogation procedures is a present goal of the industry. One current idea is to channel all subrogation cases through one all-industry representative.

Public unfamiliarity with the nature and limited effects of the new phenomenon has added to claim volume. Sonic booms are not confined to small, unpopulated areas. Aircraft do not have to be diving to cause the boom. Booms are not created only at the moment the sound barrier is penetrated. Booms are not antics of irresponsible pilots that with proper discipline can be completely eliminated.

But mistakenly, the sonic boom "has been blamed for damage that couldn't have been inflicted by an atomic bomb," says Senator Barry M. Goldwater of Arizona.

What can be done about the sonic boom?

First, if and when you have a window shattered by a sonic boom, call your nearest Air Force or Navy base *immediately* with your complaint, to aid in identifying the guilty plane. Except for that, not much, as far as we know, can be done. Military aircraft have to fly, and not always over California's Muroc Lake. Coupled with this, straight and level supersonic flight nowadays is an operational fact. And as long as a plane stays above Mach 1, it drags that continuous shock wave along with it.

Efforts to control aircraft climb and flight patterns only offer limited relief. By the time guided missiles replace today's manned defense systems, supersonic commercial aircraft will very probably be carrying on the boom tradition. Design doesn't appear to be the way out either; the National Aeronautics and Space Administration has decided there is no hope at present for building a boom-less supersonic transport.

Conceivably, this new noise of ours may take its place alongside those emanating from boiler factories, railroad switchyards and heavily-trafficked highways as another of progress' necessary and virtually unnoticed evils.

In any event, don't wait up for this space-age phenomenon—you'll know when it arrives.

Boom! ⊙

William J. Davis, NATB secretary and manager, takes the confidential teletype message which almost unfailingly will ensnare a thief.

DRAGNET for AUTO THIEVES

Few escape the "Pinkerton" perfection of the National Automobile Theft Bureau.

RECENTLY FIVE NEW CARS of a popular make were driven onto the loading dock of a Gulf seaport. The drivers removed the license plates, left a message with the dock attendants and departed. The message was that the five cars were part of a shipment for a South American country, more cars would be along in due time, and someone would be there to attend to the necessary details.

Before that "someone" or the other cars appeared, the dock officials became suspicious, checked over the five cars and called in local and federal law enforcement officials.

Then the teletypes started clicking in a Chicago office—headquarters of the Western Division, National Automobile Theft Bureau. Within minutes, through the bureau's records and files, the Gulf-port authorities and federal officials were put on the trail of an automobile theft ring and had been filled in on the police records of the gang. In short order, the members were apprehended and the five docked cars, plus three others delivered later, were returned to the owners.

Involved in this one episode were 28 rightful owners of stolen cars, a gang of three thieves, five states, and one foreign country which has no bilateral treaty with the U. S. for the return of stolen motor vehicles.

From beginning to end, here was an amazing bit of detective work to an onlooker. But at the Chicago bureau it was hardly a good day's work. Thirty or 35 recovered cars make an "average" day. For in the course of a year, (fiscal 1957-58), the Chicago-based Western Division of the NATB recovered 12,536 cars for a "batting average" of 94.2 per cent out of 13,318 automobile theft losses reported by member companies.

That's only part of the national story, for there are just 18 states in the Western Division. For the rest of the country there are divisional offices in New York City, San Francisco, Dallas and Atlanta, plus one in Mexico.

Detective Work Aplenty in Each New Case

Every one of the thousands of theft-recovery cases has the makings of a detective thriller. There is the case of the blue-eyed, asthmatic operator who went around among Michigan farmers buying up an old-model car wherever he could find one "to build a doodlebug farm tractor." In no case did he ever return to pick up the junk car, but he always took along the title to the car. Then by erasure and retyping, the title was changed to describe a stolen automobile he wished to sell. In order to show prospective purchasers a validated license application, he obtained blank forms, used the license number from one of his junk cars and did a bit of crude counterfeiting of the Secretary of State's seal. Then he would drive the car to a southern or western state, tell a tale of gambling losses, and offer the car for cash and a trade-down automobile in order to get back to Michigan.

Although the NATB had been cognizant of this man's activities for more than two years,

he was difficult to apprehend while moving around in several states and staying only a short time in one place. He was finally taken into custody by a detective who recognized him and followed him to a car he evidently had picked for theft.

At last reports, the NATB, working with local, state and federal officials, had recovered 29 cars stolen by this operator; they anticipated the recovery of 12 to 15 more he had taken.

But the "cloak-and-dagger" stuff is not as important to the automobile-owning public as the purpose and the pay-off in the NATB's work, as reflected in our automobile insurance rates. Insurance is simply a device for spreading the financial losses of a few people among many. Hence every car theft that is prevented and every stolen car recovered means that insurance costs are going to be just that much less. Conversely, the more cars stolen and the fewer recovered, the higher the cost of insurance.

Through the NATB, 342 insurance companies have banded together to do something about the steadily rising rate of automobile thefts and thereby keep down the cost of insurance. In the Western Division headed by William J. Davis, secretary and manager, there is a staff of 37, including a field force of 13. Salvage operations of the Bureau are sensational. Yet they are only a small part of its achievements for the overall improvement of the automobile theft problem.

Every Five Minutes, Two More Cars Taken

Two cars were stolen in the United States every five minutes during a recent five-year period. The monetary loss, alone, continues to be greater than the combined value of all other property taken in larcenies during any given period. In 1957, the most recent year for which figures are available, the FBI reported that 289,950 automobile theft offenses were recorded by police authorities, an increase of 9.9 per cent over the total reported for 1956 and a 26.2 per cent increase over the 1952-56 average.

Nationally—and ironically—the "unsafest" place for a car is at the heart of the nation, the District of Columbia. Records of the NATB show that the theft rate there is the highest for the U. S.—135.2 per 100,000 registrations. Illinois is second with a rate of 127.23, followed by Maryland with 124.16 and Massachusetts with 114.21.

Lowest of all theft rates is in Connecticut—3.04; South Dakota is second with 7.88, and Iowa third with 8.92.

For the nation, the theft rate in fiscal 1957-58 was 63.42 per 100,000 cars, with slightly more than 67 million car registrations.

More than half (66.4 per cent) of those arrested for auto theft in the U. S. are juveniles 17 years old or younger. This type of criminal activity is responsible for substantial property damage and personal injury losses, but most of these cars are recovered within a short time.

The toughest problem for the NATB and for local, state and federal officials is the professional automobile thief.

"Innocent" Actions Sometimes the Hot Clue

And yet these professionals and their rings are often trapped by the simplest of circumstances. Recently, for example, Chicago police had a routine night call about individuals tampering with an automobile in a garage. Officers found them cutting up a late-model sports car for scrap metal and parts. Five young men were arrested on the spot; six confederates were picked up later. At the time of the NATB report, four recent model vehicles had been recovered, and with the investigation continuing, it was apparent that a considerable number more were involved.

So serious has professional car thievery become that 53 rings were investigated by the NATB during fiscal 1957-58. Of the 645 automobiles, 280 were identified as having been stolen. Apprehended in this cleanup were 216 "subjects."

One technique often uncovered in special investigations by the NATB is that of the salvage rebuilders, such as that of the Michigan operator mentioned earlier. During 1957-58, alone, ten salvage investigations by NATB agents resulted in arrest of 53 subjects and recovery of 86 automobiles.

Then there are the professional operators who make frequent use of bogus or counterfeit certificates of title or certificates of origin to transfer "ownership" to stolen automobiles.

In still another type of professionalism, ownership of the suspected vehicle is in order, but legitimate or normal titling procedures have

been bypassed in order to give the car a seemingly clear history.

Traffic in older model cars—"junkers"—is a special problem. Bureau officials are convinced that better control of all salvage operations will deter the operations of salvage title rings and prevent the theft of older-model automobiles for sale as scrap iron.

Special investigations by the Bureau have even disclosed the case of the operator who was attempting to defraud insurance companies by reporting the theft of automobiles which had never been out of his possession.

Success of the NATB in identifying and recovering thousands of stolen cars annually stems from a system with some carefully guarded secrets and based on several million cards. On these cards are listed stolen or wanted motor vehicles by make, motor, serial or vehicle identification, and by component part numbers, including those of ignition, rear deck and glove compartment. These facilities are available upon request and without charge to all duly constituted law enforcement authorities.

In fact, the NATB is the only national clearing house available for servicing law enforcement officials seeking to identify a motor vehicle. Operating expenses of the NATB are met by the member insurance companies which own and govern it.

Stolen cars are reported to the NATB in one or both of two ways: By member insurance companies and by local law enforcement officers.

Alarm Card Sets Off Widespread Action

To alert and inform local law enforcement agencies throughout the territory or the country, an "alarm card" is issued by the NATB just as soon as a car is reported stolen by a member insurance company. Simultaneously, police authorities in the area where the theft occurred are sent a letter on the reported theft, together with a "recovery" card to be returned, filled out, to the NATB when the car is recovered.

Finally, there is a "report of recovery" card issued by the NATB to all concerned—for file-clearing purposes.

During the time between theft and recovery, any officer may avail himself of the NATB information by communicating with the Bureau.

There is virtually nothing about the identification of an automobile that the NATB doesn't know or can't find out.

For example, through close cooperation with all domestic automobile manufacturers, the NATB is able to obtain pertinent information promptly about specific automobiles, including identification numbers, shipping destinations and dates shipped.

For assembling and communicating such data, the NATB maintains one branch office with a specially trained staff in Detroit, the capital of the automobile industry. Speed, so essential in establishing identification and ownership on recovered automobiles or on cars under surveillance as suspected stolen vehicles, is achieved through use of telephone, telegraph and teletype.

If necessary, the NATB has authority to use police radio networks to forward communications to police or law enforcement authorities.

Salvage Car Secrets Stop Title Racket

Some of the most valuable information is right in the NATB offices. This is the salvage car file, an invaluable aid to law enforcement authorities in combating the "salvage car title racket." The NATB salvage car file is a "stopper" in that it contains data about cars on which insurance companies have paid total losses resulting from physical damage.

A widely-used information facility of the NATB is its Manual for the Identification of Automobiles. This is distributed nationwide annually without charge to police authorities.

Equally famous and useful is the NATB's Manual for the Investigation of Automobile Fires, first of its kind and distributed in more than 50,000 copies without charge to state fire marshals and police officers.

Information on obliterated and defaced identification numbers can even be supplied by NATB. For such assistance to law enforcement, the Bureau maintains a staff of special agents with extensive training and experience. Their special forte is the "impossible" identification of motor vehicles and the investigation of questionable or fraudulent total automobile fire losses.

Murder, child abandonment, missing persons and other such cases figure in the day-to-day operations, for NATB files and other facilities often are used by police offices as an investigative aid in crimes not directly related to the theft of an automobile. If there is an automobile anywhere in the situation, chances are that

"Tricks" for THIEF-PROOFING Your Car

1. Never, never leave your key in the ignition lock when you park the car—no matter how innocent the surroundings may seem. The overwhelming majority of autos stolen are left parked with the ignition key in the lock!

2. Try not to park on dim side streets, ideal hunting ground for car crooks. The majority of cars stolen are stolen from the street.

3. Watch what you do with your duplicate car keys. Know where they are at all times.

4. Consider installing an electric burglar alarm system in your garage. This is excellent protection.

5. When you receive your car keys from the dealer, take note of the serial number, then deface the number. In the key of one make of car, just take out the center section which carries the number. This has been pre-cut for your convenience.

6. Don't leave your car registration or driver's license in the glove compartment. The fleeing thief, if stopped by police, can show your registration to prove his ownership.

7. Don't tempt weak-willed passers-by by leaving bulky packages or clothing in your car. Sometimes juvenile delinquents will sack a car of its valuables, then as an afterthought drive it away. Theft of the car and theft of its contents go hand-in-hand.

8. Don't leave your car parked for a long time without making periodic checks. This goes for places such as railroad stations, airports and country garages.

9. If your car is delivered regularly from a garage, try to claim it immediately. The garage man will often hook the keys on the sun visor—an act which may be noticed by a thief. Lifting the car would be duck soup for him.

10. Make sure your garage lock is strong, that the hinges are on non-removable pins, that the hasps cannot be taken off with a screwdriver. And make sure it is always locked when your car is inside.

11. Always demand a claim check when you leave your car in a parking lot. Without it you can never prove you parked your car there. ⊙

the NATB can give valuable help, so complete and detailed is its information.

A bank robbery in a western state involved two suspects—one with three aliases—driving an expensive-model car. A special agent of the NATB was called in, and another big-scale auto theft operation was uncovered. A third subject, the common-law wife of one of the suspects, was apprehended; the trail of 14 stolen cars was picked up in this one case alone.

Unfortunately, as has recently happened in some publicized cases, the stolen automobile or one involved in a major crime disappears into a "forgotten" status as the result of being stored or abandoned in a garage or parking lot by a person other than the rightful owner.

To minimize this evil, to assure prompt identification and to eliminate unreasonable storage charges against a rightful owner, the NATB has written and sponsored the Uniform Storage Act, which has been enacted into law in many states. It places a legal responsibility on garage owners and parking lot operators to report unclaimed vehicles after 15 days.

Even more noteworthy, NATB officials conceived and suggested the adoption of the first Federal law, then known as the Dyer Act, making it a felony to transport or conspire to transport a stolen motor vehicle in interstate commerce, knowing it to be stolen.

Also, the first certificate of title law was proposed by the NATB and enacted into law in Indiana.

Border Jumping No Longer an Easy Escape

"Getting across the border" is no longer an escape for automobile thieves, since the NATB pioneered in obtaining the ratification of a Canadian-United States Treaty for the reciprocal return of stolen motor vehicles in 1924, and a similar treaty between Mexico and the U. S. in 1937.

Escapes of many ingenious kinds have been tried with but small success during the 47 years that NATB has been working its "Scotland Yard" wizardry on automobile thieves.

One night just prior to the close-in on an Ohio "ring," a crew of eight men spent hours dumping truck loads of stolen auto parts into quarries, rivers and other unknown areas in an effort to thwart detection and capture. Twelve subjects responsible for the theft of at least 27 cars in two and a half months were caught in

this cleanup starting from a meager clue on a junk and salvage yard.

Business runs along so briskly and smoothly —for a while—that some auto thieves don't think about escape until it is too late and the NATB has them. There was the case of the couple from Texas, Tennessee and other addresses operating with a confederate. This confederate sold a supposedly "clean" car to an unsuspecting dealer in Tennessee, got the check in payment, removed the license plates and departed. Next day he was back with another car which the dealer also bought, unsuspectingly, and paid for with check. This theft ring had a good thing going, except for one little detail the confederate had overlooked and which was already working to his undoing.

Too Late, a Telltale Slip-Up Is Remembered

Belatedly remembering the detail, he returned that night to the dealer's lot, wanting to get "some radio equipment" out of the car he had sold that day. The attendant, now wise, explained that the lot was closed; the equipment could not be had until morning.

By morning the mulcted dealer had stopped payment on the check for the second car; the confederate phoned to find out why. It was explained that there was a misunderstanding and that if he would return to the lot, the matter would be straightened out. When he showed up, he was promptly arrested.

That was only the beginning. In short order, police authorities working hand-in-hand with the NATB had apprehended the man-and-wife ringleaders, had captured a second accomplice, cleared up the theft of at least 12 cars and had caught up with a notorious salvage dealer doing a wholesale business in titles from junked cars.

Somewhere in such cases there is usually a tip-off or a clue which makes it possible for NATB to recover all but a relatively few of the cars that are reported stolen. In this instance, the accomplice who returned at night to the dealer's lot wasn't after any "radio equipment." Besides, the lot attendant had found the wanted article in cleaning up the car, and the trap was sprung. The thieves forgetfully had left their ignition jumper under the front seat. ⊙

Babe Ruth's 714 home runs were his insurance on eternal fame. Here is the last ball he signed.

BASEBALL

National Baseball Hall of Fame

Rich in equipment and trophies immortalizing baseball's elite, the Cooperstown treasure house also holds the game's official art gallery and library.

Ty Cobb, only survivor of original five named to Hall of Fame in 1936.

TREASURE HOUSE—*Cooperstown, New York*

THIS SPRING, on its 20th birthday, the National Baseball Hall of Fame and Museum stands as the "Smithsonian Institution" of the world of line drives and double plays.

Visited by a million, America's first museum devoted to a sport houses the first sheaf of commemorative stamps ever issued in honor of one. For baseball fans its offers "everything" —from the physical comforts of Connie Mack's personal bench to the aesthetic delights of sculptress Gertrude Boyle Kanno's bust of Christy Mathewson.

And it all started with a ragged, ripped baseball more than a century old.

Cloth stuffed and homemade, the ancient ball once belonged to a contemporary and student of baseball's originator, Abner Doubleday. It may well have been rifled over second base by Doubleday himself during one of the early games he organized in a cow pasture outside Cooperstown in 1839.

Obtained by Stephen C. Clark, today president of the Hall of Fame, the ball spurred a trial exhibition of baseball relics in 1935. Enthusiasm for a permanent museum blossomed and baseball Commissioner Ford C. Frick (then National League president), suggested a twofold national institution, to pay tribute to the men who had made the game America's favorite sport and to house its famed mementos. Dedication was on baseball's 100th birthday in 1939.

The Museum's size was doubled in 1950, and a special Hall of Fame room was added last year exclusively for hanging the plaques dedicated to baseball's immortals.

Membership of the Hall itself will continue to grow beyond the present 84 players, managers, umpires and other select few as new celebrities are elected for "outstanding contributions" to the game.

Having virtually all of baseball's memorabilia under one roof offers a problem in protection; in the words of Director Sid C. Keener, "thorough insurance is part of the Hall program." Elaborating, Keener lists "Fire to building, $600,000 . . . fire to furniture and fixtures, $56,000 . . . all exhibits displayed or out on loan, $226,000 . . . public liability at $100,000 to $200,000."

Safety-wise, the building itself is of fire-resistive construction, and no smoking is permitted inside. It does not have automatic sprinklers, or burglar alarms. An attendant is on guard during the summer, and most exhibits are in locked glass cases. The record thus far is perfect; no claim has ever been filed for any loss.

Of course, there were those two hats of Joe DiMaggio's. On open display in his last New York Yankee locker, they disappeared—one, then another, until a glass door was added. Director Keener hastens to add that this wasn't theft, though, but "probably just the enthusiasm of two unknown baseball fans." Could be. ⊙

Symbolizing baseball as the American national pastime, this hall display is signed by myriad of prominent fans including governors, supreme court justices, cabinet members, churchmen, publishers, writers and broadcasters.

Nationally Acclaimed!

Youths Show the Way In FARM FIRE PREVENTION

FARM FIRE LOSSES hit an all-time record high of $156 million in 1958, the U. S. Department of Agriculture announced recently. The toll might have been far worse but for 10,000 young hazard-hunters dedicated to fire prevention. They were participants in the National Youth Farm Fire Safety contest, sponsored annually by the National Association of Mutual Insurance Companies. Each entrant, aged 10 to 20, inspected 6 to 12 or more farms; each found an average of 10 hazards per farm. That's a total of 600,000 to possibly well over a million fire hazards called to farmers' attention during the year—and corrected, to an amazingly high degree.

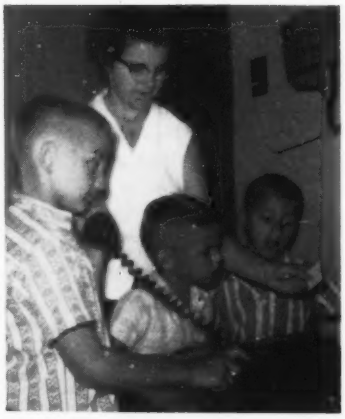
Contenders for this fall's contest title already are busy finding and eliminating hazards in their areas. Here, as examples of what can be done, the Journal of American Insurance tells the stories of the 1958 winners—David Seaman, 13, of Waterloo, New York, and Shirley K. Berg, 17, of Baltic, South Dakota.

David Seaman checks cords, plugs, loading of circuits at electrical outlets.

DAVID SEAMAN started nosing around his neighbors' farms, looking for fire hazards, at the age of nine. Now, at 13, he's become such an expert on fire prevention that fire chiefs, legislators and adult TV audiences listen to his fire safety advice—and follow it.

He made his first three inspections just to be eligible to attend a fire prevention banquet. But he "found it was fun," made seven more the next year, and before he was 12 had surveyed 39 farms. He resurveyed them last year to see how they'd complied with his recommendations and check for new hazards, and added 11 more to his list for a total of 50.

His investigations were anything but superficial. David climbed into attics to check chimneys, flues



Shirley Berg shows little brothers how to call firemen if needed at the farm.

"FIRE SAFETY begins at home" might well have been the motto of Shirley Kay Berg. For one of the first farms on her list when she began her inspections last summer was the Royal Bergs'. They got no special treatment; in fact, businesslike Shirley turned up one of the longest hazard lists of all there. But before she was through, the Royal Bergs had one of the best correction records in the neighborhood too.

"Not enough electric outlets" was one finding, so appliances were rearranged to avoid overloads until

and litter, crawled out on roofs to inspect TV antennae, lightning rods, shingles and gutters. He went into hay mows and opened some bales to check their temperature. He'd become enough of an expert, at 12, to know, as he noted in his scrapbook, that "hay in our region was baled while damp because of wet weather, so I have been especially careful in checking it."

Knowing many barn fires are caused by carelessly dropped matches, ashes or cigaret butts, David railed against smoking in barns, passed out no-smoking signs for farmers to post. He made signs himself at first, but when he won a $5 prize in the county contest, he spent it on printed placards.

David also checked the water supply on each farm, often too scarce or low pressure for fire-fighting even if a rural fire department is available. He made sure each family knew how to call the fire department and had an escape plan set up in case of emergency.

Some of the farmers chuckled a little at first, watching the youngster go at his inspecting so seriously. But they listened, especially after he won the New York state contest on his way to the national title. David himself was amazed at how conscientiously many of them began to clean up the hazards he'd pointed out.

They spent hundreds of dollars for fire extinguishers, hoses, high ladders, pressure water systems, wiring and roof repairs. They burned trash, cut high grass and weeds, got metal containers for rags and matches, quit smoking in their barns. Said David: "They must have figured, as one man told me, 'When it comes to fire hazards, I'll take your word for it, Sonny, seeing you've gone as far in fire prevention as you have'."

Others took his word for it too, and David stepped up his schedule of talks and demonstrations in school, at Grange and 4-H meetings, at county fairs, on radio and TV. After a talk to Grange Patrons in Tyrone, New York, the Tyrone fire chief invited him to inspect the fire station. David found one hazard—a few oily rags in a corner. He suggested they be put in a metal container, and the chief promised to "speak to the boys" about it.

David's state senator sent him a letter of congratulations on his work. The boy replied with a thank-you note, and enclosed some fire prevention tips for the senator's information!

With his sister, Rilla, 20, a third-place state winner in the 1954 contest, prodding and chauffeuring him, David kept up an amazing pace. There's no way of knowing how many fires his work may have prevented, although the Patrons Fire Relief Association of Seneca County, which sponsored him in the contest, has one indication: its fire losses last year were the lowest, percentagewise, in its 82-year history.

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rewiring could be done. Other hazards, typical of those on other farms she inspected, included non-fire-resistant roofs; oily and dusty rags lying around; smoking in barns; unmarked gas cans and tanks; extension cords hung over nails, and frayed; combustible litter (papers, old clothes, rags) in the attic.

Shirley eliminated most of the hazards at home, working with her brother, Ken, 16, second-place winner in the Minnehaha county contest. For top honors in the boys' division, Ken was right behind his cousin, Roger Moan, who went on to win the boys' state title and place third in the nation.

Shirley also taught her younger brothers—Arlyn, 11; David, 9; Richard, 8; and Douglas, 5—how to call the fire department in case of fire, and indoctrinated them with other fire safety facts. They frustrated her on one point, though, as she noted frankly in her scrapbook: "From my experience with small children I have found that there are very few places (to keep matches) that are out of a small child's reach—and those few we haven't found!"

Traveling in Ken's 1931 automobile, the Berg "team" carried their safety crusade to neighboring farms. Shirley donned slacks and clambered onto roofs and into attics, tracking down hazards. One neighbor, a widower, was more than glad to have her give his attic a going-over. "I'm curious to know what's up there myself," he said, "but since I put on so much weight, I can't get through that little hole."

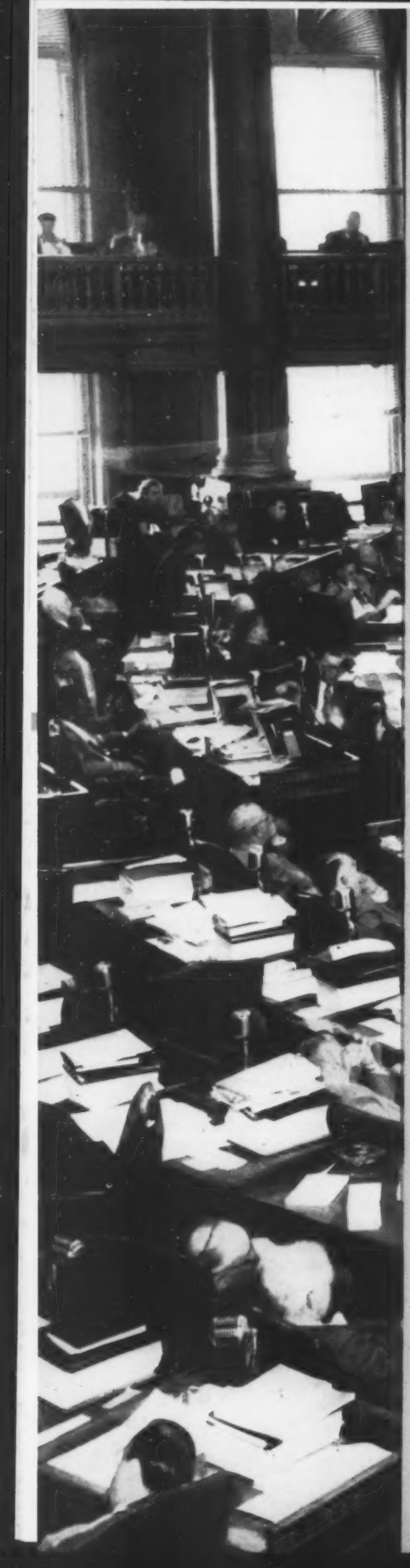
A high school friend wasn't so cooperative in taking her advice about smoking. She had tried in vain to convince him that smoking is a sure athletic death for a high school boy. But she scored a partial victory when she was permitted to post a no-smoking sign in the barn at one farm she inspected. It turned out that her friend was employed on that farm, and was the only one there who smoked!

No-smoking signs were just part of the equipment Shirley loaded up with when she took off on an inspection tour. She also carried inspection forms, a flash camera to photograph hazards, red paint and a brush to paint and label gas cans, homemade cards containing "what to do in case of fire" information and the fire department phone number, and fire hazard check-lists for every "client."

Ken, a good electrician, helped her repair frayed cords and faulty plugs on the spot. They grounded lightning rods and TV antennae, took time to persuade farmers to have poor wiring checked, or stop driving motorized machinery into hay-filled barns or outbuildings.

Altogther, Shirley found 62 hazards; she noted 41 corrected by the time she resurveyed.

The Farmers Insurance Company of Minnehaha County, where Shirley has worked part-time for three years, was enthusiastic about her success for business as well as personal reasons. It's a mutual company, so the more losses Shirley and others like her can prevent, the lower the costs of protection can be held for its members. ⊙



"SUMMIT MEETINGS" IN U

AL SMITH once said, "American people never carry an umbrella. They prepare to walk in eternal sunshine." As a man given to memorizing complete laws, Smith may well have been alluding to "eternal sunshine" preparations which Americans delegate to their elected lawmakers. Right now, state by state, these lawmakers are in the midst of another legislative season. Much of the economic "climate" in which the American people will walk during the coming months is in the making; insurance, the public's fortilage against weather of whatever kind, is involved directly or indirectly in most legislative issues now under debate.

Before 1959 ends, about 90,000 bills will have been introduced for study and action by 7,350 legislators holding sessions in 48 of the 50 states. These are "summit" meetings close at home

Myriad of issues in current legislative sessions perva

Negligence and Civil Practice

Approximate number of bills affecting insurance—1600

Dealing with:

Doctrine of comparative negligence
Guest statutes
Direct action against insurers
Wrongful death limitations
Disclosure of insurance
Attorney's fees

Example:

In Texas and 10 other states, bills are under consideration which would substitute the doctrine of comparative negligence for the common law rule of contributory negligence, which is presently followed in 43 states. Under comparative negligence, congestion in our courts increases considerably, because even a person who is ruled negligent in an accident can legally bring suit to recover damages.

Accident and Health

Approximate number of bills affecting

Dealing with:

Non-cancellable and other restrictions on policies
Governmental group insurance
Compulsory non-occupational disability benefits
Liberalization of disability benefits
Welfare plan regulation

Example:

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Insurance Codes

Approximate number of bills affecting insurance—1200

Dealing with:

Complete revisions of state insurance laws
Public hearings on fire and casualty rates
Agents' licensing, operations and compensation
Nuclear exclusions in fire insurance policies
Multiple peril policies
Free choice of insurer

Example:

Arkansas and Montana have recently passed bills completely overhauling state insurance laws; Alabama and Florida legislatures will receive similar bills during this year's sessions. Georgia introduced a newly-drafted code, postponed action on it until the next legislative session. Among changes: increased capital, surplus requirements for insurance firms; clarification of insurance commissioners' responsibilities.

Taxation

Approximate number of bills affecting

Dealing with:

Heavier premium taxation
Amount and allocation of fire insurance premium taxes
State income taxes on insurance, in addition to premium taxes
Tax increase on workmen's compensation
Taxation of automobile premiums
Retaliatory laws

Example

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N U. S. STATE CAPITALS

to the people's future. A good 10 per cent of the proposed laws concern fire and casualty insurance in one way or another. Two years ago, 87,438 bills were introduced in state legislatures, some 9,000 of them containing insurance implications.

A spokesman for Commerce Clearing House says that the "heaviest traffic is always in insurance, taxes and motor vehicles." He adds that of all subjects covered in pending legislation, more are reported to insurance groups than to representatives of any other industry.

Only a small number of this year's 90,000 bills will be passed, of course. But the proportion with ramifications reaching into insurance will remain high, affecting not only industry groups but also insurance policyholders and the general public. ⊙

ns pervade public's insurance at many points

lth

f bills affecting insurance—800

Example:
In Missouri and three other state legislatures, bills have been introduced which would require all individual policies to be non-cancellable except for failure to pay premiums (such policies are already available on an optional basis.) This would increase the cost of accident and health coverage beyond what is being paid by policyholders at present, and would result in limiting the general availability of such protection to the public.

Motor Vehicles

Approximate number of bills affecting insurance—2000

Dealing with:
- Motorist's financial responsibility
- Statutory uninsured motorist coverage
- Compulsory insurance
- Unsatisfied judgment funds
- Traffic safety

Example:
In South Carolina, one bill introduced would establish an unsatisfied judgment fund patterned after New Jersey's UJF. The legislature is also considering a bill aimed at strengthening the state's financial responsibility law; one provision, for example, requires proof of a driver's future financial responsibility following an accident (a quite similar bill was signed into law by Tennessee's governor Buford Ellington last month).

bills affecting insurance—2000

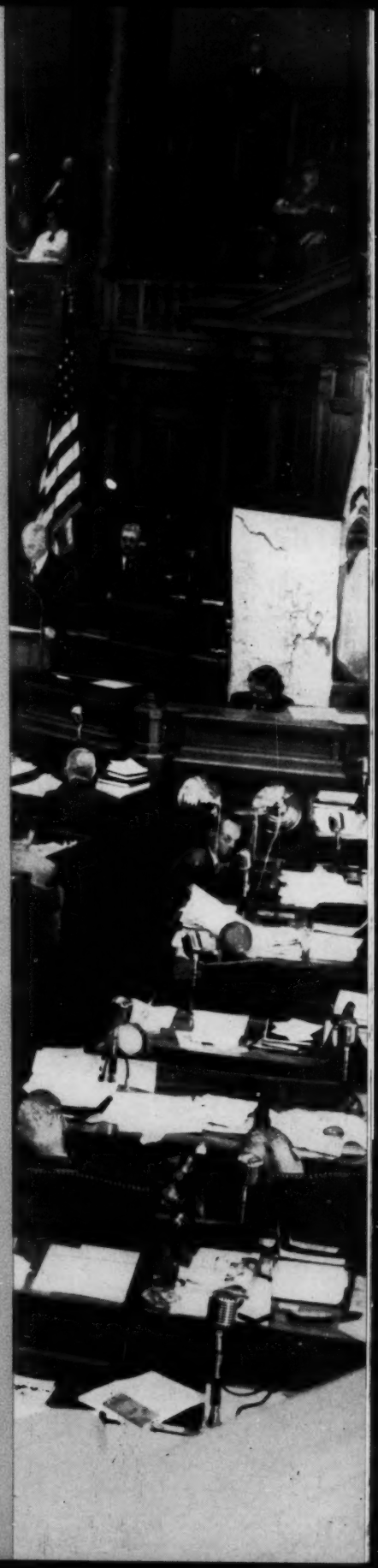
Example:
During 1959, a number of states, including Vermont, Maine, Massachusetts, Nevada, Wyoming, South Dakota and New York, have introduced bills to increase the tax on fire insurance premiums. Such higher premium taxes would set the stage, clear across the country, for a round of fire insurance rate increases because of the application of retaliatory tax laws. The burden, of course, would finally be on fire policy holders.

Workmen's Compensation

Approximate number of bills affecting insurance—1500

Dealing with:
- Increased benefits, including medical and rehabilitation
- Provisions for competitive systems in states now operating under monopolistic state funds
- Free choice of physician
- Expanding second injury funds
- Compensable injury definitions
- Creation of state atomic energy agencies
- Radiation injury and disability
- Occupational deafness

Example:
Nine states have introduced bills which provide workmen's compensation coverage for radiation injuries or expand protection already included in state laws. Key point under study: extending statute of limitations owing to delayed emergence of some radiation injuries. Ten legislatures also are considering bills to create state agencies to regulate and control atomic energy and radioactive materials for greater public safety.



UNDERSTANDING OUR WORLD:

JAPAN

Japan today ranks in the forefront of the nations abroad where U. S. interests have more than $25 billion invested in the development of resources, distribution branch plants and other industrial enterprises. Understanding Japan—and other countries, too—is enlightened self-interest.

For a first-hand, modern-day look at what Japan holds for the U. S., the Journal presents this special article by the Rev. Carl G. Mettling, minister of the Barrington, Illinois, Methodist Church.

As a member of a world-tour seminar, Rev. Mettling obtained a privileged insight into Japanese affairs during the past summer on a 35,000-mile trip to 16 different countries. The seminar group included clergymen, lawyers, business men and educators.

By CARL G. METTLING

s: Japanese Consulate General Offices, New York and Chicago

IN A MEMORABLE MAY, 106 years ago, world history was in the making as Commodore Matthew Calbraith Perry, reigning hero of the newly steam-powered U. S. Navy, in command of four American men-of-war, pursued his mission "to open by massive persuasion the gates of Japan, hitherto hermetically sealed."

When Perry dropped anchor, July 8, 1853, in what is now Tokyo Bay, all of Japan's age-old, locked-up history suddenly ended. In a letter from President Millard Fillmore to the Japanese Emperor, Perry requested protection for shipwrecked American seamen (theretofore treated badly), the right to buy coal, and the opening of one or more ports of trade. A treaty acceding to these requests was concluded by the Perry mission near Yokohama, March 31, 1854.

Since then, science has given us both proximity and trade—but too little community—with Japan and other countries of the world. Yet, understanding of other peoples and lands is an utter necessity, for it takes more charity and brotherhood to live close together on this shrinking globe than it did under the far-apart circumstances of Perry's day.

As we flew from Hawaii to Japan and landed at Tokyo International Airport, we knew that we were in an island kingdom and among a people of a culture and background different from our own. Yet the American visitor to Japan finds much to make him feel at home.

For the most part, the climate is oceanic in character with most of the Archipelago in the monsoon area. The annual mean temperature is 75 degrees. The country is rich in minerals, the chief ones being copper, gold, silver, iron, petroleum, sulphur and coal. Of these coal is the most valuable.

Japan has roughly only three times the area of Illinois, but has about ten times the population—approximately 90 million people. Arable land per capita is the smallest in the world.

The principal agricultural product is rice, which is the staple article of diet. But barley, millet and soybeans also are produced. Silk worm cultivation was introduced from China about 195 A.D. Terrace farming is extensive.

As a people the Japanese are courtly, polite and friendly, though not intimately so. They are highly literate, intelligent and most energetic and industrious. They are avid sports lovers.

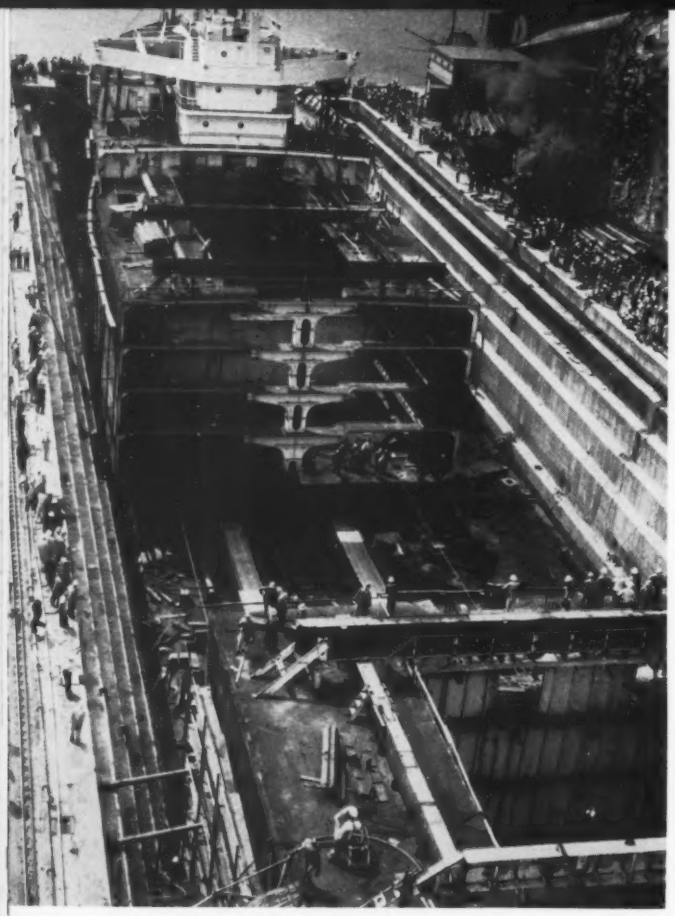
The two most decisive events in Japanese history, in the opinion of Tatuso Shibata, English editor of the Mainichi News, who addressed our seminar, were: The opening up of Japan for trade with the West by Admiral Perry and the defeat of Japan in World War II. Perhaps of the two, the latter is most significant to Japan, for it brought the democratization of the country by the American occupation forces.

Japan's democratic experiment as a government is really patterned more on the order of Britain's than ours. It is a constitutional monarchy. There are two leading political parties, the Liberal Democratic, the present party in power, whose Prime Minister is Mr. Nobusuke Kishi; and the Socialist Party composed of the left-wing liberal and labor groups.

The Lower House is called the "Diet" whose members are elected by the prefectures, or districts, every four years. The Upper House, called

Tokyo wears a western look, even in this scene of shops and stalls in Asakusa, popular amusement center of the city, decked out in New Year splendor. The people are courtly, polite and friendly.

In large department stores, such as this one with the newly built wing, shoppers find much the same selections and facilities available as in U.S. stores, including modern elevators and escalators.



Japan, largest shipbuilder in the free world, is here using the "cut and add" method for bigger capacity. The ingenuity and industry of her workers make Japan an industrial giant.

the Counsellors, is elected nationally every six years. The Judiciary is a separate body, as ours. Sovereignty resides in the people.

One unique and outstanding feature of Japan's constitution is the article prohibiting rearmament. The irony is that it was written into the constitution at our behest, but since then we have striven to get Japan to repeal it and to rearm.

Democratization of Japan brought some widespread and far-reaching social changes in the life of the people. The Emperor has de-deified himself and is no longer an object of worship. He is more human and much happier.

Perhaps the most significant changes in post-war democratic Japan concern the status of women and the home, as was pointed out to us by Mrs. Shima Cahn, professor at the Women's University of Japan.

Women have been granted full citizenship and suffrage. Also the opportunity to be legislators and to serve on boards of local jurisdiction is theirs. In the very first election in post-war Japan, 75 women were candidates for the Parliament and 39 of them won.

In the field of labor no occupation is closed to women. The Labor Standards Law, besides setting up a minimum wage, establishes the policy of equal pay for men and women for equal work. In 1947 the educational system was enacted which now permits co-education at all ages, including higher education.

Under the new constitution, "Marriage shall be based only on mutual consent of both sexes . . . with equal rights of husband and wife." This is a far cry from the old feudal system of male dominance and female subservience.

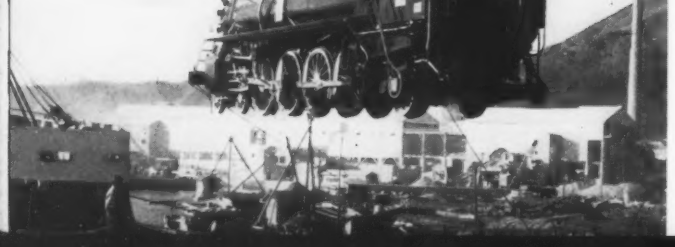
Democratization within the family is now encouraged. No longer does the eldest son have exclusive right of inheritance.

Birth control is now common government and family policy in modern democratic Japan; in fact, it is a must, considering the problem of population and food supply. Because of this enlightened emphasis, and the high literacy rate, Japan is one country in the lands of burgeoning population that has a chance to conquer overpopulation.

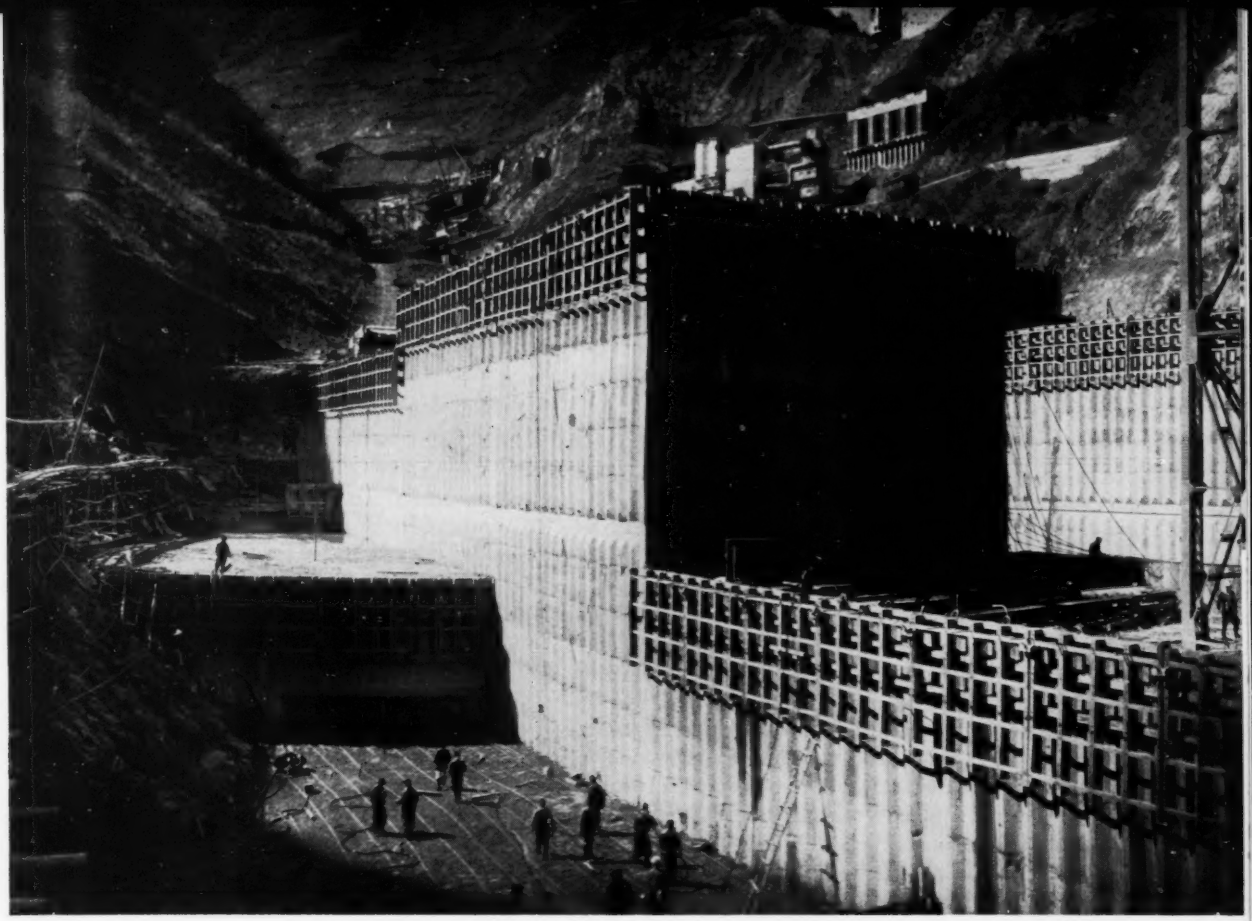
Of special significance to the U. S. is the fact that these social changes in democratic Japan have been accompanied by growing industrial and economic power. Ambassador Douglas MacArthur II, in our interview with him, referred to Japan as standing just below the United States and Russia in power as one of the four great industrial complexes of the world: The U. S., USSR, Germany and Japan. She is standing on her own feet, is a member of the U. N. Security Council and has diplomatic relations with 74 countries.

How will Japan use this power: For us and the free world, or against us?

In the analysis of Ambassador MacArthur,



This export of locomotives to Southeast Asia well signalizes the fact that Japan is now the eighth largest foreign trader.



Many rivers, short but torrential, give Japan mighty water-power resources. Sakuma Dam, largest concrete gravity dam in Japan and world's sixth largest, has an output of 350,000 kw.

Japan will be governed in the future by one principal factor: Economics. Already the problem of population and food supply is evident. Like Britain, Japan must live by trade. It must import raw materials and export to foreign markets in such a way as to make a living. Japan wants to trade with us, she is oriented toward the West, and though her democratization was forced, she does not want to go back to feudalism. But trade she must, be it with the West or with the Communist countries.

We have it within our power to say which way Japan will go. Which means that to trade with her, keep her within the free world, our government and business world will have to be real statesmen pursuing an enlightened policy of trade even to the point of adjustments in our own economy. We will have to weigh the long-term advantage of having Japan on the side of the free world over against the short-term interests of particular persons and industries. As Ambassador MacArthur put it: "If we lose Japan, we can scratch the rest of southeast Asia for the free world."

MacArthur feels, however, that there is no real danger of Japan going Communist by choice. He also believes that there is absolutely no danger of future Japanese aggression, that Japan has resumed her place in the family of nations, that we must treat her on the basis of mutual respect. The Asian mind wants only these things from us: Equality and respect; cooperation and assistance in working out economic problems.

We have done much for Japan. No other victorious nation in all history has treated a fallen foe with such a benevolent hand. General MacArthur is still loved and venerated.

We gave Japan a new way of life, even though by force, but significantly Japan is retaining it after the occupation has ended. Also, we

gave Japan $2.6 billion to aid in her economic recovery.

But Japan offers and gives us something in return. She gives us her friendship, the friendship of 90,000,000 hard-working, lovable people. This is no small gift in a section of the world where we need friends and need them badly, where we are more hated than loved.

Also, Japan offers us a market for our products, particularly farm products, which would otherwise aggravate an already difficult problem in our economy. Only Canada buys more U. S. goods than does Japan.

She offers us and the free world the support of her great industrial complex, so desperately needed in the world-wide struggle between the Communist and non-Communist blocs.

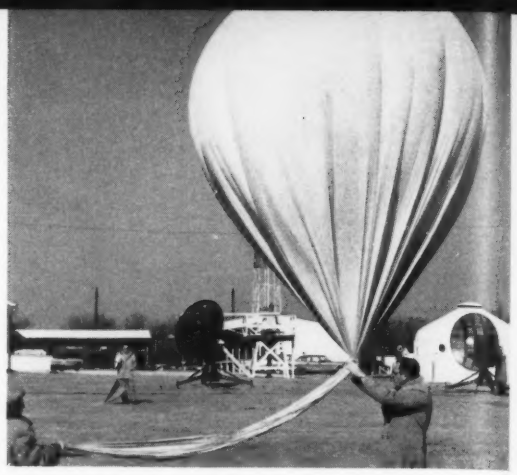
Japan offers us and the world yet another gift: Her witness against armament and war as instruments of policy. She is the only land, and hers the only people ever to experience the horror of atomic bombs. Her witness and leadership against nuclear tests and armaments are a conscience-pricking gift to the world. She considers her sacrifice on the atomic altar of Hiroshima not too great a price to pay if it will aid the nations toward peace.

One last observation on this country of "the rising sun": Japan's basic problem is spiritual. The old religions—Buddhism and Shintoism—are still present and outwardly virile and flourishing. People are attending the shrines. But these are waning in influence. They have lost their hold on the young people. Most of the people are practical atheists.

Christian Church Stands at Testing Time

Christianity in Japan is a minority religion. Out of every 1000 people only three are Protestant, only two are Catholic. The Christian church is small, but aggressive and growing.

It is important that the church succeed in Japan; it is on a testing ground. The Japanese are turned toward the West—they like our ways, our democracy—but do they appreciate its spiritual basis, the Christian religion? Will Japan, like so many Americans, seek to appropriate the fruit of Christianity—human dignity, freedom, democracy—without accepting its religious base? What Japan needs, as do America, and the world, is a religion to support democracy. ⊙



Record-High Weather Balloon, Emulating a Famous Kite

FOR SUCCESS in new realms of science, this record-breaking Army experimental weather balloon earned a place alongside Benjamin Franklin's famous kite, flown by him in that June, 1752, thunderstorm to prove the sameness of lightning and electricity.

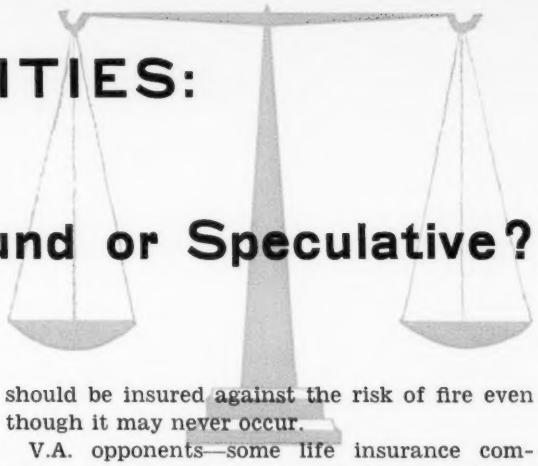
Franklin, who was also a founding father of mutual insurance, made the break-through for the future of electronics with his simple kite-and-key experiment.

Now, 207 years later, the Army's high-soaring balloon has made a historical break-through for improved weather forecasts. Its new world's altitude record was 146,000 feet, close to 28 miles. At the record altitude, it had grown to a giant 65-foot sphere—as tall as a six-story building.

Special instruments in the balloon made upper-atmosphere measurements providing vital scientific information that paves the way for improved weather forecasts. A low temperature of 85 degrees below zero was recorded at an altitude of 10 miles. At higher altitudes, there was a continuous warming trend, reaching a surprising 40 degrees above zero at about 28 miles up. Scene of the history-making ascension was the U. S. Army Signal Research and Development Laboratory, Fort Monmouth, New Jersey. ⊙

VARIABLE ANNUITIES:

Sound or Speculative?



A SIGN OF THE TIMES reported in the *New Yorker* magazine recently was a phrase chalked on a board fence around a Manhattan construction project. This wasn't the usual political plug or four-letter word, but this neatly-lettered slogan: "Down with Variable Annuities."

The anecdote may be one part imagination, but it doesn't exaggerate the strength of feeling stirred by the controversial subject of variable annuities since the first company offered them for sale in 1952. "Not in decades," said financial writer Sylvia Porter, "has the $100-billion-plus life insurance industry seen a battle even approaching" this one, nor has the financial world been "split so wide open."

Are They Protection Against Inflation?

Variable annuities basically are insurance policies with the premiums invested in common stocks through the years, and the income, when it becomes payable, fluctuating with the yield on those stocks at that time.

Supporters call them the best way yet devised to have insurance coverage and, at the same time, a hedge against inflation. Inflation has eroded the value of fixed-yield policies and left their holders with retirement incomes far less comfortable, in terms of purchasing power, than they'd counted on. A number of businesses, as a result, are developing employe pension plans on the variable annuity principle; an insurance annuity would offer the same benefits plus an indemnity to the beneficiary in case of the annuitant's death before retirement.

Many V.A. backers believe inflation will continue as a fact of economic life in this high-spending era, and want to offer an annuity giving income consistent with living costs at the time it pays off. Others decline to predict that inflation necessarily is here to stay, but say the purchasing power of retirement income should be protected against the risk, just as a home should be insured against the risk of fire even though it may never occur.

V.A. opponents—some life insurance companies, including the nation's largest, Metropolitan, and a sizable segment of the investment world—challenge both parts of the inflation argument. Inflation is not inevitable, they say, and for the insurance industry, a top foe of inflation, to "surrender" and accept it as a basis for doing business is unthinkable.

Second, opponents don't accept the contention that the rise and fall of the stock market and the cost of living index run parallel. They say the 1957-8 recession showed that stock yields may dip while living costs keep climbing. And nothing could undermine public faith in insurance more quickly, they warn, than for annuity incomes to fall while living costs soar. Most people just can't afford a fluctuating monthly income, they add; the uncertainty could be dangerous psychologically as well as monetarily, especially for the aged.

But V.A. supporters believe nothing could disillusion the public about insurance more than current "50-cent dollar" income from fixed-yield annuities. They cite the decline in sales of such policies in recent years, in the face of soaring ordinary life purchases, to prove it. Also, few recommend that buyers depend exclusively on variable annuities for insurance coverage; life firms consider them supplements to fixed-yield policies, not substitutes. Fluctuating income thus would be cushioned by dependable fixed income.

Balanced Program Yields Highest Income

Studies over 77 years show that an equal balance of fixed and variable annuities would have given the most constant amount of purchasing power over the years, Prudential says.

The College Retirement Equities Fund (CREF), first to offer variable annuities, says a 50-50

balance would have paid an average income of $106, $114, $133, $157 and $148 per month in the years 1953 through 1957. Straight fixed-yield annuities in the same period would have paid $105 a month, says CREF.

Variable Annuity Life Insurance Company gives this example: A man bought a V.A. in 1937, paying $100 a month until retirement in 1958. His premiums were invested mainly in industrial, rail and utilities stocks over the years. By 1958 he'd paid $25,200 into the policy; its cash value was $65,038, yielding a monthly income of $414. The cash value of a comparable fixed-yield annuity: just half as much.

To anyone with the continued-inflation view of the future, the variable annuity obviously has much appeal. But there's no denying that it also carries a risk, for its yield depends on the value of the stocks in which its premiums are invested. Its opponents say this takes it out of the category of insurance altogether; they suggest that people looking for protection against inflation invest in real estate and other classic hedges, or do their own picking in the stock market, and not "gamble" with their insurance.

Stick to Safety, Insurance Men Are Urged

Variable annuities are nothing but "speculation clothed in the respectability of insurance terminology," one Metropolitan Life official said. He urged the life insurance industry to stick to its classic function of providing safety and security, not risks. Insurance funds traditionally have been invested in mortgages, bonds and a few "blue chip" securities. How can life companies, in good conscience, now seek to risk policyholders' money in common stocks, especially when they invest only about 2 per cent of their own assets there, V.A. foes ask.

The limit is not by choice, the companies reply. It is largely because of tight regulation in New York State, affecting all the big national companies. As for safety, the companies think their experienced investment departments could do as good a job as anyone else of picking safe growth stocks.

The Securities and Exchange Commission has contended all along that variable annuities are securities, not insurance, and thus subject to its regulation. The U.S. Supreme Court upheld this view, 5 to 4, in March, saying that since a V.A. has no element of a fixed return, the issuer assumes no true risk in the insurance sense. This upset the rulings of two lower federal courts, which would have left regulation to state insurance commissioners. Present V.A. sellers, Prudential and the SEC all seem to agree that satisfactory dual federal-state regulation can be worked out to govern variable annuities.

The District of Columbia and some states already authorize the sale of variable annuities and a few companies are selling them; several firms are seeking the necessary permission now in other states. Prudential is promoting such legislation in New Jersey, where it is incorporated. This year, the sixth year of trying, the proposal passed the Assembly but at press time was still bottled up in the Senate Business Affairs Committee, where similar bills died in past years. Prudential cannot offer variable annuities unless the bill is passed.

The investment industry views with alarm the potential "competition" from the insurance field. Some representatives fear the insurance companies, with their billions of dollars in assets, could buy up many desirable stocks and "freeze" them, restricting the supply, forcing prices up and yields down. Some warn against investing premiums in common stock only, in violation of the investment principle of a diversified portfolio. Others fear insurance firms will get control of corporations.

But V.A. supporters quote the president of the New York Stock Exchange as saying the United States will need $80 billion worth of growth capital in the next 10 years, with institutional investment able to account for only 38 per cent of that. V.A. buyers could provide some, proponents say. As for acquiring control of other companies, V.A. forces say they're not interested; they're insurance men, not financial empire-builders, and all they want are good high-yield stocks for their policyholders.

Final Decision Will Be Up to Purchasers

At any rate, the battle is joined. Despite all the controversy, though, few persons express doubt that variable annuities, in some form or other, will be offered to the public in ever-increasing numbers in the next few years. So, once the legalities are resolved and the field established, it probably will be up to the individual purchaser, ultimately, to decide whether the variable annuity is as good or as bad as everybody's saying it is. ⊙

Volkswagen of America

While imports of Volkswagens and of 50 other foreign autos climbed 800 per cent in past four years, total U.S. exports dropped by half. But Rambler exported 49 per cent more in '58.

THIS SWING TO SMALL CARS

Rocketing sales are rippling our whole economy.

TWENTY-FIVE YEARS AGO, the wits were lampooning undersized automobiles with the limerick about the poor fellow from Boston who "bought himself an Austin."

That limerick is as dead as Dillinger, also circa '34, but the Austinian car has come to life with a vengeance. And it's got the economists, auto makers, traffic safety experts and insurance men buzzing with something more serious than satirical limericks.

This is just one buzzer: Import sales, comprised largely of low-priced small sedans, have advanced from less than 1 per cent to more than 8 per cent of the American car market in the past four years.

There's far more than limerick levity in the Detroit shopwindow sign which reads: "Volkswagens, Go Home!"

But the VW's and some 50 other compact foreign makes aren't going home. Instead, they are well on their way to another record year, with estimates of 500,000-plus import sales in 1959 being revised upwards on the basis of heavy early buying this year. Last year, about 383,000 imports, four-fifths of them small cars and the remainder sports, luxury and racing models, found American buyers. Volkswagen led the pack handily (90,000) with Renaults, English Fords, Fiats and Hillmans next in line.

Adding impetus to the move away from predominant American auto patterns of the post-World War II era, American Motors' Rambler (now being completely re-styled for 1960) recorded 175,000 sales in 1958 and hopes to double that figure in '59. Studebaker-Packard's compact Lark, out only a few months, has been making a much stronger showing than the average for the auto industry. And, with reports of Big Three (Ford, General Motors and Chrysler) entry into the small car field about as numerous as Jaguars in Hollywood, the consensus is that they will all have small models in the showing rooms by early 1960.

A broad range of "whys" is back of this swing to small cars. There are the commonly-cited economy factors, such as lower initial cost, depreciation and upkeep; owner explanations stress superior handling characteristics and

Toivo Kaitila

Predominantly European small car imports were boosted last year by Oriental version, Japanese Toyopet, which will be shipped direct to main Midwest ports via St. Lawrence Seaway in the near future.

Compact American autos, which sold well through last year's slump, are gaining again this year, spurring Big Three small car planning in Detroit. A strong domestic leader now is American Motors' Rambler.

This Swing to Small Cars

include candid comments that the smalls are just "more fun" to drive.

Amid all the small car furor, much debate has centered on the relative safety of the smalls versus the bigs. On this subject, a special Journal survey of metropolitan and highway police officials, safety groups, auto makers and small car organizations has revealed one basic fact, summed up in this statement by George Sinclair, assistant director of automotive crash injury research at Cornell University: "No one, at present, has sufficient evidence from which to draw any firm, scientific conclusions on this subject."

Big car exponents, generally, hold that the smalls offer less protection in an accident. Small car drivers reply that they stand a better chance of avoiding a collision because of their superior maneuverability and braking power and, overall, greater skill. A report of preliminary findings under Cornell's crash injury research program, based on limited data, tentatively concludes that "the heavier car seems to offer more protection against injury than the lightweight class."

This, Studebaker-Packard safety engineer Don Schrum suggests, is the same problem standard-size cars have with trucks, and in Miami, police chief W. E. Headley agrees but adds pointedly that in his opinion, "generally . . . all cars with safety equipment in proper condition are as safe as the driver."

Safety is just one of the small car's ramifications being studied by the insurance industry. Confronted with one million potential customers in new-sized machines, insurance men have been more than mildly interested in the swing

Chicago Automobile Trade Association

American Motors

to smaller vehicles. Owners tend to drive their small cars somewhat more than they did their big ones, sometimes race them, more often participate in precision driving tests called "rallies."

Also of insurance significance is the fact that nearly one half of the small autos are "second cars," signaling an expanding market made up in many cases of present big car insureds.

With market volume swelling, the idea of organizing a special company to write small car insurance has been termed "a very interesting thought." So far, no one's done it, though Robert Schroeder, recent Chicago regional president of the largest small car group, the 16,000-member Sports Car Club of America, says that he's been solicited regularly in recent years by insurance representatives who want the club's business.

In any event, most of those one million small cars are presently insured with the same companies that write up the Buick or Ford policies. Rates, as reported by the Mutual Insurance Rating Bureau, are based on the same factors as for full-size passenger autos. Liability coverages cost the same, but a small car owner may save money on collision and comprehensive insurance on models sans wrap-around windshields, fancy tail fins and similar costly accessories.

Controversial they may be, but the little autos appear to be here to stay, and so can be counted upon to continue enlivening the American motoring scene. For instance, a New York enthusiast addicted to mileage studies recently reported that with his entire family aboard, his French auto gets 34 miles to the gallon of petrol. With just his wife, however, he improves this by four miles, and all alone, he can squeeze out 42 mpg.

Just what this may portend is perhaps best left unpredicted. ⊙

Auto shows are saving more space for those small cars. At Chicago show, an on-the-spot Journal survey indicated the 30-odd small makes were more popular than the big cars by a two to one margin.

Studebaker-Packard

Foreshadowing current style trends, Studebaker's 1953 hardtop, sleek, clean-lined and compact, won acclaim as one of top ten designs of modern times in an Illinois Institute of Technology poll of designers.

HAIL TO HAWAII—50th State

Kam Tai Lee, commissioner, heading a staff of twelve.

HAWAII has been trying for its newly won statehood more than 50 years, but in all that time it has always been "one of us" so far as the insurance industry is concerned.

This is attested to by the fact that 33 of the 50 states, plus the District of Columbia, are represented by the home offices of 268 insurance companies authorized in the territory. Eight other countries also are represented. The first of these companies were admitted on October 1, 1903, following passage of territorial laws governing transaction of insurance business.

Investments of these companies in the future of Hawaii, in the form of mortgage loans, utilities, real estate and the like, total more than $176 million in addition to bank balances of more than $4 million.

With a land area no greater than that of Rhode Island and Connecticut together, Hawaii realizes revenues of about $1.5 million annually from the insurance industry, counting premium taxes and all other forms. Population of around 600,000—racially integrated—is about equal to that of our 24th city—Dallas—spread out over 1,600 miles of the mid-Pacific. In life insurance, alone, Hawaii had more in force at the start of 1958 than 11 other states, the total being $1.8 billion.

A gauge of the country's industry and activities is the fact that automobile insurance premiums in 1957 totaled $9.5 million, fire insurance premiums $3.7 million. Hawaii's economy is rooted principally in sugar, pineapples, tourist trade and U. S. military expenditures at Pearl Harbor and elsewhere, but a newcomer is the rapidly expanding local cattle business, with some ranches of as much as 300,000 acres. Per capita income at $1,821 is higher than in 24 states. Hawaii pays more income tax than 10 present states.

Growth and development in the islands is reflected in the fact that total insurance premiums of $65 million in 1957 were more than double those of 1948. Premium collections have increased every year since 1944. As of June 30, 1958, Hawaii had 3,751 active insurance licenses of all kinds for insurers, general agents, solicitors and others. Eleven of the insurers are domestic companies.

Kam Tai Lee, appointed territorial insurance commissioner on March 30, 1953, is the 14th of the islands' commissioners since the duties were established in 1903. In 1947 the Insurance Bureau was established as a separate division of the Treasury Department. The staff now numbers 12.

Among many other distinctions, Hawaii will be our only island state; its capital, Honolulu, is five hours from California by jet air travel; it has the world's highest mountain—Mauna Kea—based on the ocean floor 18,000 feet below sea level and rising to 13,784 feet high; one of the islands—Niihau—is a private reservation where the few remaining pure-blooded Hawaiians can live; another of the islands—Molokai—has a leper colony; the new state will be one of the few without a death penalty, and its motto is, "The life of the land is preserved by righteousness." ⊙

Association of Western Railways

Golden spike climax, later superseded by many others. Since WW II, railroads have invested more than $14 billion in additions and property improvements.

Speaking of Space Conquests:

THE SAGA OF THE GOLDEN SPIKE

UNTIL MAN TOOK to planetary rocketry, few space-spanning feats rivaled the one climaxed 90 years ago this May with the driving of the golden spike.

Symbolizing the joining of the Central Pacific and Union Pacific Railway lines, the spike ceremony at Promontory Point, Utah, May 10, 1869, united East and West, put the Atlantic and Pacific coasts within a few days of one another and opened for development a vast and fertile "world"—by 1869 standards.

It was the greatest land-spanning achievement the world had seen; its counterpart in planet-spanning will be stupendous, indeed!

Historians are not fully agreed about the spikes of gold and silver and the laurel tie at Promontory Point that day, but the spike credited with the ceremonial honor, and containing about $350 worth of gold, is now in the Stanford Museum of Leland Stanford University.

What is more important to the economy of today is that the railroads in recent years have been putting down crossties—four spikes to the tie—at the rate of about 23,646,000 ties a year. The ceremonial rails at Promontory Point were probably 18 to 20-footers; continuous welded rails up to 33,792 feet are in use today in the 220,000 miles of road-owned track maintained by our 661 operating railroads. Comparable advances have been made throughout the railroading system. Revenue freight, alone, in recent years has totaled 1.5 billion tons annually.

Twenty years before the golden spike was driven, railroading was the progenitor of the oldest form of casualty underwriting—accident insurance—with founding of the Railway Passenger Assurance Company, in London, England, back in 1849.

Railroads of the U.S. are largely self-insured on personal injury and certain other risks, but insurance plays a leading role in keeping the progress of railroading going despite train wrecks, fire and explosions. In recent years there have been single big fires and explosions with claims of approximately $400,000 each. Only seven big wrecks have occurred in the past 15 years. But unheralded smaller wrecks, with insurance taking care of claims in the range of a half million dollars in single mishaps, are not uncommon. Also, railroad officials in recent weeks have started exploring the possibilities of having their strike risks underwritten. ⊙

IS THIS RACE

Indianapolis Motor Speedway

YES! NO! - and why

SPEED, glamourized with ever-increasing speed on the race tracks of the nation and the world, is a factor in 38 per cent of fatal U.S. motor-vehicle accidents, according to reports of the National Safety Council. The 37,000 who were killed in 1958 motor-vehicle accidents were only part of the toll. In addition there were 1,350,000 disabling accidents. Costs, including wage loss, medical expense, overhead costs of insurance and property damage amounted to $5.4 billion.

Track-generated, the craze for speed breaks out in drag-racing, "hot rodding" and even highway "highballing."

Renowned as a speed classic is the Memorial Day 500-Mile Race at the Indianapolis Motor Speedway. On the eve of its 1959 running the Journal presents these pertinent sidelights and some authoritative opinion. ⊙

Two-sided issue . . .

Safety people should not have a right to vote for or against a form of entertainment or sport. What people do for entertainment or what sports they follow, either as participants or spectators, is not a matter to be decided by people who are not involved, unless such sport or entertainment is basically repugnant to normal behavior patterns.

By the same token, participants in such sports as the "500" should not go into the safety business and represent themselves as experts in safe driving. The driver in the "500" is no better qualified as an expert in street and highway safety than the tight wire walker from the circus is in teaching how to walk safely.—DAN HOLLINGSWORTH, *Manager, Oklahoma City Safety Council.*

"Roman holiday" atmosphere . . .

I am primarily against the Memorial Day race because it glamourizes speed and other actions which would be illegal on the highways. It holds a great attraction for young people, and it is inevitable that some of them are going to try to emulate the drivers when to do so can be lethal.

I believe further that the "Roman holiday" atmosphere that surrounds it is unhealthy. While highly trained drivers participate and all possible precau-

"RACING'S CONTRIBUTIONS TO THE AUTOMOTIVE INDUSTRY"

(Condensed from Fact Book, 42nd Annual 500-Mile Race, May 30, 1958)

1909-1916—Period of testing and development. The emphasis was on making cars sturdy and dependable, with almost all the automobile manufacturers of that era sponsoring race teams. The lessons learned on the Speedway made it possible for the manufacturers to correct mechanical faults and weaknesses which caused trouble for the ordinary motorist. Accomplishments of the various cars on the race tracks hastened public acceptance of the automobile.

After World War I, most automobile manufacturers began to build proving grounds of their own and they gradually withdrew from racing competition. Wealthy sportsmen, rather than automobile manufacturers, sponsored the individual entries and cost was not an important factor. Only the best, regardless of the price, was good enough for the race cars. But the industry kept a sharp eye on Speedway developments. Four-wheel brakes and hydraulic shock absorbers finally became "standard equipment" in this manner. Ethyl gasoline was pioneered by the racing fraternity and low pressure (balloon) tires also were developed in this manner.

Oil consumption was a major problem for many years. The racing fraternity met the challenge by building better engines and the entire motoring public benefited.

Torsion bars have been in general use at Indianapolis since 1948, but it has been only in the last three years that the manufacturers have started to use them. Fuel injection has been almost universal at the Speedway since 1953, but it was not available on any passenger car until Chevrolet introduced it.

FATALITIES Indianapolis 500-Mile Speedway *(1909-1958)*

Killed during race	Drivers	11
	Mechanics	6
	Spectators	5
Killed during practice period	Drivers	13
	Mechanics	5
	Spectators	2
Killed during special test runs	Drivers	2
	Mechanics	1
	TOTAL	45

ACNECESSARY?

tions for safety are taken, we must remember that the Roman gladiators were also highly trained and given a measure of protection. Yet their actions resulted in the same legalized murder.—HIRAM M. SMITH, JR., *Director, Public Information, Governor's Highway Safety Committee, Commonwealth of Virginia.*

No outlawing—unless . . .

I have no specific feeling regarding the pros and cons of competitive events such as the 500-Mile Memorial Day Race, providing proper precautions have been taken to insure the safety of the participants and the audience.

In principle, I do not believe any exhibition or competitive sport should be outlawed unless it is proven to be a detriment to society.—FLETCHER N. PLATT, *manager, Traffic Safety and Highway Improvement Department, Ford Motor Company.*

Hazards insignificant, considering . . .

Personally, I have never felt that there was any great criticism of the 500-Mile Memorial Day Race, since it is done by professionals under rigidly controlled conditions. Although there have been casualties, they could well be expected from time to time in such a hazardous sport.

Of course, the hazards of the little bit of racing compared to the tremendous casualty toll on the public highways each day are very insignificant; our energies have been directed toward the use of known safety features in automobiles as standard equipment.—FLETCHER D. WOODWARD, M.D., *Charlottesville, Virginia, Chairman, Committee on Medical Aspects of Automobile Injuries and Deaths, American Medical Association.*

Should be discontinued . . .

The 500-Mile Memorial Day Race does not lend itself to the best principles of sporting events.

It is my personal opinion that its continuance serves no useful purpose either from the standpoint of the manufacturers or the individual drivers.

On the other hand, it is strictly a speed contest which initiates the great holiday holocaust on the highways. Again, in my opinion, it should be discontinued.—JAMES P. ECONOMOS, *Director, Traffic Court Program, American Bar Association.*

Contests of driving skill urged . . .

The Indianapolis 500-mile Memorial Day race should be discontinued. Automobiles in the numbers that crowd American highways should be considered a means of transportation instead of a sport device loaded with potential menace. Public exploitation of the sport angle by racing sanctions and glorifies

racing on highways by high-spirited youngsters copying their car racing heroes.

Prior to the development of proving grounds and laboratories at the automobile industry plants, there may have been some benefit on the "improvement of the breed" basis, but that has dwindled beyond diminishing returns in anything but advertising value in the case of the Indianapolis 500.

Rather, contests of driving skill on obstacle courses with speed no object would help immensely in shifting motivation of drivers to safety and pride in accomplishment with a good purpose.—COL. JOHN P. STAPP, *USAF (Medical Corps), President, American Rocket Society, Inc.*

Serves no useful purpose . . .

In my personal opinion *(the ARBA has never expressed an official opinion on the matter)* this hazardous race serves no useful public purpose. There may have been a time when the gruelling test provided by this race for tires and motors served a useful purpose, but I believe this time has passed, since the manufacturers of both tires and automobiles have ample means of testing their products. In my opinion, the race has become a spectacle, sometimes involving needless loss of life.—C. D. CURTISS, *Special Assistant to the Executive Vice President, American Road Builders' Association.*

Time long since passed . . .

Automobile races, particularly those in which cars with highly specialized engines and equipment are used, have little or no value as a means of testing that could be helpful in developing automobile products for ordinary use. As for stock car racing, I believe the manufacturers' proving grounds to be a better testing place. The influence of any kind of automobile racing on the driving habits of people, particularly young people, is difficult to gauge. However, it is a reasonable assumption that such spectacles are not likely to influence drivers toward safer habits, nor will their skills be improved.—FRANKLIN D. STURDY, *Director, Citizens Traffic Safety Board of Metropolitan Chicago.*

Proving grounds better . . .

The International Association of Chiefs of Police expressed unanimous disapproval of auto speed contests. Although its resolution was directed primarily at "drag racing" by young drivers, the language of the resolution left no doubt about the Association's stand on speed contests in general.

If cars must be tested for speed, I think the place for it is the proving ground of manufacturers, with skilled operators at the wheel.

I am opposed to any type of competition that will directly or indirectly encourage high speed on the public streets and highways.—RAY ASHWORTH, *Director, Traffic Division, International Association of Chiefs of Police.*

High speed propaganda . . .

The National Safety Council opposes speed contests and recommends that traffic authorities and safety organizations refrain from endorsing, supporting or participating in speed events.

This includes the 500-mile Memorial Day Race in Indianapolis.

The Council's stand is based on its belief that the climate and tone of driving should be cooperative and not competitive.

The automobile today is too important a part of modern living to be the object of even indirect propaganda in favor of excessively high speeds.—HOWARD PYLE, *President, National Safety Council.*

"Competition" doesn't justify . . .

The President's Committee is one of nearly 100 organizations represented in the Traffic and Transportation Conference of the National Safety Council which drafted the statement opposing speed contests as Council policy. You will note the opposition to speed events "even in the name of competition."

I personally support this statement wholeheartedly. —J. W. BETHEA, *Executive Secretary, The President's Committee for Traffic Safety.*

A disservice to safety efforts . . .

The continuation of racing events does not, in my opinion, any longer serve a useful purpose, but on the contrary, does a disservice to the official and public efforts to develop an adequate safety program in the United States.

The proving ground and other extensive test facilities developed by motor car manufacturers adequately supply engineering information of a type once provided by the racing contest. With this basic historic reason for such events made technologically obsolete, there remains only the unfortunate aura of pseudo-heroism surrounding dangerous high-speed driving, which unfortunately has a major impact upon many juvenile and other imitative automobile drivers.—FRANKLIN M. KREML, *Director, Transportation Center at Northwestern University.*

Participation, support withdrawn . . .

I refer to the resolution on speed and racing adopted by the Board of Directors of the Automobile Manufacturers Association as an expression of industry policy.

It should be pointed out, however, that the resolution takes no stand on whether racing events should or should not be held. It simply recommends that member companies of the association not participate in or support such events.—WILLIAM B. HANKLA, *Director of Public Relations, Automobile Manufacturers Association.*

(NOTE: The pertinent portion of the resolution to which Mr. Hankla refers states: ". . . this Board unanimously recommends to the member companies engaged in the manufacture and sale of passenger cars and station wagons that they:

(1) Not participate or engage in any public contest, competitive event or test of passenger cars involving or suggesting racing or speed, including acceleration tests, or encourage or assist employees, dealers or others, or furnish financial, engineering, manufacturing, advertising or public relations assistance, or supply "pace cars" or "official cars," in connection with any such contest, event or test, directly or indirectly;

(2) Not participate or engage in, or encourage or assist employees, dealers or others to engage in, the advertising or publicizing of: (a) any race or speed contest, test or competitive event involving or suggesting speed, whether public or private, involving passenger cars, or the results thereof; or (b) the actual or comparative capabilities of passenger cars for speed, or the specific engine size, torque, horsepower or ability to accelerate or perform, in any contest that suggests speed.

GOLD OF NORTH CAROLINA

Commissioner Gold, serving also as zone chairman for his national association, has nine mideastern states in his territory.

ONE OF the Thirteen Colonies, North Carolina shares a characteristic with mutual insurance—it has history of which it is justly proud. The first English colony in America was established in 1585 on Roanoke Island (later was famed as the mysterious Lost Colony); Virginia Dare, born there in 1587, was the first child of English parentage born in America. Three presidents likewise had birthplaces in North Carolina—Jackson, Johnson and Polk. At Kitty Hawk the Wright brothers' experiments gave birth to aviation; on the Tar Heel coast the pirate Blackbeard met his end.

Not even on such laurels are North Carolinians resting. Led by Governor Luther H. Hodges and an able team of state department heads including Insurance Commissioner Charles F. Gold, the Tar Heel state has recorded almost doubled industrial investments in the past five years.

Some 423 new and expanded facilities in 1958 alone represent investments of more than a quarter of a billion dollars (a 70 per cent increase over 1956) and have provided nearly 22,000 new jobs payrolled at more than $72 million. Metalworking industries led the 1958 growth pattern, with chemicals, tobacco, textiles and food products following in that order.

The insurance business has paced the rapid economic growth. State revenue from the industry channeled through Commissioner Gold's department has increased 12.3 per cent in the latest two reported years, totaling more than $12 million for the fiscal year ended June 30, 1958.

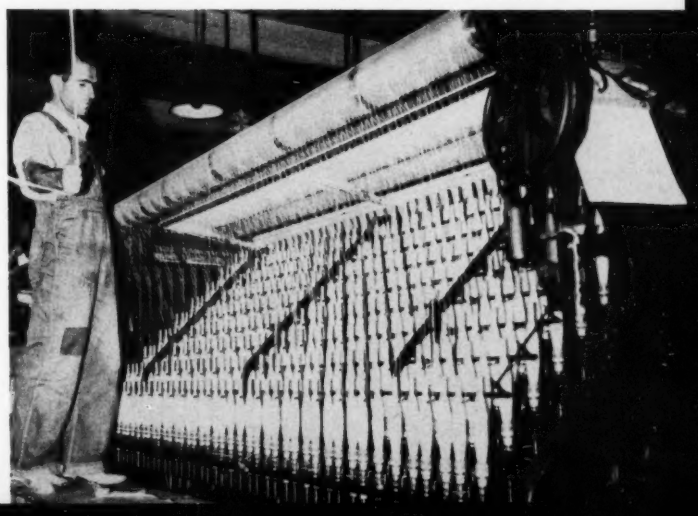
Leading the nation in the manufacture of textiles, tobacco and household furniture, North Carolina ranks as our 27th state in total area, 10th in population and 16th in fire and casualty insurance activity. Total property-casualty premiums reached $269 million in 1957; mutual firms chalked up a two-year increase of 17.9 per cent, with stock companies recording a 7.7 per cent rise.

Gold has held office as insurance commissioner since 1953. A graduate of the University of North Carolina, he practiced law in his home town of Rutherfordton, served as solicitor and then judge of the Rutherford County Recorder's Court and saw duty with the Army Air Force in World War II. Following military service, he became a congressional secretary for six years, then was elected to the North Carolina state senate in 1950.

A former American Legion post commander and member of the state Democratic executive committee, he is past president of the Rutherford County Bar Association and currently serves on the boards of trustees of the Western Carolina Teachers College and of Alexander Schools at Union Mills, North Carolina. ⊙

Textiles, served by mutual insurance since early New England days, became a $2½ billion industry in Tar Heel surroundings.

North Carolina News Bureau



Form of the Declarations for Assurance.

I the underwritten Jno. Marshall residing at Richmond in the county of Henrico do hereby declare for Assurance in the Mutual Assurance Society against Fire on Buildings of the State of Virginia, established the 26th December, 1795, agreeable to the several acts of the General Assembly of this state, to wit:

My Fire Buildings on Lots Nos 706 and 792 situated at the City of Richmond now occupied by Myself situated between the Back Street North and that of Q-Street South in the county of Henrico

Their dimensions, situation and contiguity to other buildings or wharves, what the walls are built of, and what the buildings are covered with, are specified in the hereunto annexed description of the said Buildings on the plat, signed by me and the appraisers, and each valued by them as appears by their certificate here under, to wit:

The Dwelling	marked A.	at 4700	Dollars,	say Five Thousand	Dollars
The Office	do.	B. at 200	do.	Two hundred	do.
The Kitchen	do.	C. at 400	do.	Four hundred	do.
The Stable	do.	D. at 130	do.	One hundred & thirty	do.
The	do.	E. at 170	do.	One hund & Seventy	do.
The	do.	F. at	do.		do.
The	do.	G. at	do.		do.
		5980			

say Five Thousand Nine Hundred [illegible] Dollars in all.

I do hereby declare and affirm that the above mentioned property is not, nor shall be insured elsewhere, without giving notice thereof, agreeably to the policy that may issue in my name, upon the filing of this declaration, and provided the whole sum do not exceed four-fifths of the verified value, and that I will abide by, observe, and adhere to the Constitution, Rules and Regulations as are already established, or may hereafter be established by a majority of the insured, present in person, or by representatives, at a general Meeting to be agreed upon for the said Assurance Society. Witness my hand and seal at Richmond the 24 day of February 1796

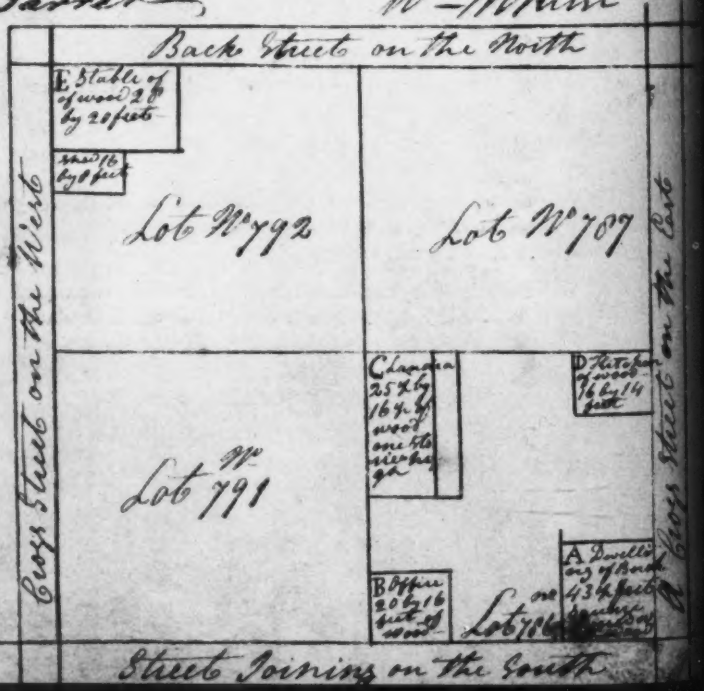
J Marshall (Seal)

WE the underwritten, being each of us House-Owners, declare and affirm that we have examined the above mentioned Property of Mr. Marshall and that we are of opinion that it would cost in cash Five Thousand Nine hundred Dollars to build the same, and is now actually worth Five Thousand Nine hundred Dollars in ready money, and will command the same as above specified to the best of our knowledge and belief,

City of Richmond Sc.
The foregoing valuation Sworn to in due form before me, a Magistrate for the said City of Richmond Given under my hand this Eighth day of April in the year 1796

Jn. Barret

Residing in Richmond
Dabney Minor
William Gibbs
Wm Wilkins



Reproduction of original application by Chief Justice John Marshall, insuring his home under a mutual policy.

the

Equal

Common

Block sheet on the left